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# COAST GUARD AUTHORIZATIONS

# HEARING

BEFORE THE

## COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

COAST GUARD AUTHORIZATIONS FOR
FISCAL YEARS 1985 AND 1986

APRIL 3, 1984

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# COAST GUARD AUTHORIZATIONS

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TUESDAY, APRIL 3, 1984

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
*Washington, D.C.*

The committee met, pursuant to notice, at 9 a.m., in room SR-253, Russell Senate Office Building, Hon. Bob Packwood (chairman of the committee) presiding.

Staff members assigned to this hearing: Chuck Harwood, staff counsel; Peter Friedmann, staff counsel; and James Drewry, minority staff counsel.

## OPENING STATEMENT BY THE CHAIRMAN

The CHAIRMAN. The hearing will come to order.

The sole item of business this morning is the Coast Guard authorization. I am delighted to announce that included in the bill is a 2-year authorization, totaling more than $22 million, to completely rebuild the Burlington Northern Railroad Bridge across the Willamette River.

As anyone knows who has tried to transit that area in a medium-sized to large freighter, the existing bridge is an obstacle to commerce because the swing span is too narrow for ships to pass safely. You have barely a foot or two on either side, and it prohibits commercial vessels from reaching important yards at Swan Island and terminal 2 for repair and other work.

The project is very important for the entire Portland metropolitan areas. It has been one of the top priorities of the port and the city government for a long period of time, and I am pleased to announce that we are finally moving ahead on this.

Senators Hollings and Heflin have opening statements for the record.

[The statements follow:]

### OPENING STATEMENT BY SENATOR HOLLINGS

The United States Coast Guard has long been one of the most impressive of all federal agencies. It is committed to the public interest; its personnel possess the integrity and professionalism of the highest order; and its leaders strive to achieve the maximum responsiveness and flexibility. On top of that the agency has a sound record of holding costs down. I look forward to the results of this hearing, and hope these proceedings will lead to broad support for funding in FY 1985 and 1986 that will enable the Coast Guard to do its job well.

When you have spent as much time on the coast as I have, you cannot help but appreciate the numerous ways the Coast Guard contributes to the wellbeing of those who rely on the sea for their livelihoods and recreation. Its activities constitute a major part of the nation's maritime infrastructure. We need highways, traffic signals and the like to promote safe and efficient travel on land. Similarly, we require the Coast-Guard's very effective LORAN-C electronic navigational network and well-maintained system of buoys, channel markers, and other short range aids-to-navigation to safeguard and enhance travel at sea. And it goes without saying how much our coastal communities depend on the readiness of Coast Guard personnel to brave the worst kinds of weather in order to save the lives and property of our mariners.

The agency's law enforcement work also plays a vital role in the moral health of communities along the east coast of the United States. The big money to be made in the drug smuggling trade has introduced violence and corruption previously unknown in many of our coastal areas in the South. You will recall, Mr. Chairman, our Coast Guard authorization hearings in 1982, when we heard the testimony of the lieutenant in charge of South Carolina's state narcotics enforcement unit. He told a tale of growing involvement of state and local law enforcement officers and political figures in illegal drug operations. It appears that the drug flow may now be slowing somewhat, thanks to improved coordination among law enforcement agencies and an increase in their resources. But the need to keep the pressure on the drug smugglers remains.

Much of our ability to deter drug smuggling is attributable to the Coast Guard, which is our first line of defense against the high-volume smuggling by sea. As our South Carolina narcotics enforcement officer said in the 1982 hearing, the 95-foot cutter Escape based in Charleston has achieved a notable drug interdiction record in spite of its age. That old cutter has done a fine job, and I am determined to see her stay in action until Charleston receives a replacement at least as capable.

In closing I would like to commend the Secretary of Transportation for recognizing the excellent work of this agency. I know that many of our past problems with budget reductions and over-zealous user charge proposals are traceable not to the Office of the Secretary but to the Office of Management and Budget. However, I want to caution the Secretary that the Administration's enthusiasm for contracting out must be pursued with great caution where the Coast Guard is concerned. Contractors cannot be depended on for the 24-hour responsiveness characteristic of the present force of highly dedicated personnel—whether to meet a national emergency like the massive influx by sea of Cuban refugees in 1980, to rescue a fishing vessel from calamity in stormy seas, or to mobilize militarily in a national defense crisis. The short term economic benefits of contracting are likely to pale beside the risks inherent in diminished responsiveness.

## OPENING STATEMENT BY SENATOR HEFLIN

Mr. Chairman, today we conduct hearings on the authorization of the Coast Guard for fiscal years 1985 and 1986. I look forward to examining the many programs and activities conducted by the United States Coast Guard, all of which are crucial to the safe and orderly movement of our Marine traffic. In the past several years, this committee has been instrumental in insuring adequate funding for the Coast Guard.

Since it was established in 1915, the Coast Guard's responsibilities have greatly increased and diversified. Without a doubt the Coast Guard gives us more for our money than most other government agencies and represents a sound investment of taxpayer dollars. It is the primary maritime law enforcement agency in the United States and has been most successful in the battle against smuggling and drug trafficking.

The Coast Guard also carries out search and rescue operations on the high seas and the navigable waters of the United States and has been responsible for saving many lives. It is also charged with administering and enforcing safety standards for commercial vessels and has the primary responsibility of implementing our country's policies for protection of Marine environment. One of the most important functions of the Coast Guard is to act as a specialized service in the Navy in time of war or national emergency and to provide qualified and well trained people for active duty.

These activities represent only a few of the many functions performed by the dedicated people of the Coast Guard and illustrate the vast diversity of the agency's activities. In my home State of Alabama more than 1,000 people work in Coast Guard related activities in the Mobile area and do an outstanding job in preserving the safety of our waterways. As Alabama continues to develop its coastal and inland waterways the role of the Coast Guard will become increasingly important. And with the opening of the Tennessee-Tombigbee and the increased traffic it will bring, the Coast Guard's responsibility for the protection of life and property will be a critical factor in our success.

As in past years, it is my goal to see that the Coast Guard receives funding which will enable the successful continuation of all of its present activities. We must maintain its search and rescue services as well as those other Coast Guard functions that insure smooth and safe water traffic. Also, we cannot afford to decrease our efforts to stop illegal drugs from entering our country just when we are beginning to see positive results from our efforts. The Coast Guard is the best way to handle these many responsibilities and we must insure its adequate funding.

Thank you, Mr. Chairman.

The CHAIRMAN. Our first witness today is Senator Claiborne Pell, the senior Senator from Rhode Island, who has been a longstanding and staunch supporter of the Coast Guard. And Claiborne, when you are done, if you would like to join us for a few moments up here, I would be happy to have you.

## STATEMENT OF HON. CLAIBORNE PELL, U.S. SENATOR FROM RHODE ISLAND

Senator PELL. Thank you. I would be honored, and I appreciate your hospitality very much, and I compliment you on the punctuality with which you start the committee.

The CHAIRMAN. Thank you.

Senator PELL. I note the committee started, and I apologize for being a moment late.

I thank you also for giving me this chance to share my own worries about the Coast Guard with you and your committee, because the day is fast approaching when the Coast Guard will no longer be able to carry out all the tasks that we in Congress have assigned to it.

This will not be so because of any lack of leadership or devotion to service, for we all know the Coast Guard's tradition of excellence and achievement. The failure will come because we have consistently piled more and more responsibilities on the Coast Guard, without giving them the resources necessary to respond to the challenge.

The Coast Guard's crisis today can I think be truly called a mission impossible. And I would like to illustrate that dilemma by discussing two specific aspects of the budget before you and your committee today.

In few areas has the administration sought to place a higher priority than the drug interdiction problem. New task forces have been created, an armada of ships was briefly assembled off the south Florida coast, and in the administration's 1985 budget document we find drug enforcement as the first listed priority for the Coast Guard.

With the announcement of regional task forces 1½ years ago, our administration pledged support for new resources to stop the flow of illegal drugs. More assistant U.S. attorneys were sought to prosecute drug cases, increased numbers of FBI agents, Customs agents, DEA agents.

Nowhere in the administration's proposals, though, were there any increases for the one agency principally concerned with coastal drug smuggling. At a Foreign Relations Committee hearing I chaired last fall in Rhode Island, Commandant Gracey reported a sharp increase in drug seizures, together with an increase in the cutter manhours devoted to law enforcement. I recently learned that law enforcement activities now take up 28 percent of our Coast Guard's operational budget.

Where is the funding necessary for the Coast Guard to meet the administration's priorities in this area? In the 1985 operational budget, the administration has sought an increase of $67 million. This appears to be a modest increase, but when we subtract a mandatory pay raise of $14 million, together with an inflation adjustment of at least $38 million, we discover a real increase of only $15 million.

The inadequacy of this budget is borne out by the fact that unless we act the Coast Guard will be forced to eliminate more than 750 positions in the coming year, more than 500 of these being military personnel, the balance civilians.

This reduction will further weaken the Coast Guard's operational readiness and effectiveness, and the impact of these personnel cuts will be felt in just about every one of our States, and it will make the service increasingly dependent on administration-mandated contracting out of aids to navigation and other maritime services that have been part of the Coast Guard's 194-year history.

I would like to cite the other example of the direction in which the administration's budget is taking the Coast Guard, and here we are not speaking about men; we are speaking about new cutters, for we hear much about the new building program for medium endurance cutters which will bring 13 new ships, with sophisticated electronics and weaponry into our service by the end of the decade.

While these long-needed cutters are welcome additions to the Coast Guard's fleet, the building program is hopelessly inadequate to meet the Coast Guard's needs for the future. Last year, thanks to congressional initiative, $300 million was added to the administration's capital budget request of $369 million. We hoped that the combined budget of $670 million represented a start toward realistically providing for the Coast Guard for the year 2000.

This year, alas, the administration has recommended nearly a 50-percent cut from the 1984 capital budget, seeking only $362 million in new funding; in other words, going down. This funding level will wipe out the kind of sustained commitment necessary to meet the Coast Guard's future capital needs.

Moreover, it will force an even further reduction in the number of cutters actually in service. As recently as 1968, the Coast Guard had 77 cutters in service. Today that number has declined to 46.

Because of the scheduled decommissioning of two 40-year-old cutters in 1985–86, together with the extended renovation periods for two other aging cutters, the total number of cutters available for service will actually decrease over the next 2 years, even with the availability of several new 270-foot cutters. And this does not take into account the excessive age of some of the cutters. I know there is one still in service on which I served before World War II, and it is still in use.

These examples I believe illustrate the inadequacy of the bare bones budget that has been proposed for the Coast Guard. For too long, we have asked that service to take on jobs of increasing complexity without providing commensurate resources, and the results of this shortsighted policy are at least becoming painfully evident.

I would hope, Mr. Chairman, that in acting upon the administration's budget you would act in those areas to strengthen the Coast Guard over the next 2 years, and here there are three specific points that to my mind would be apparent.

First would be to restore funding in the operational budget that would otherwise be eaten up by the mandatory pay raise and inflation. This part of the budget is essential to the daily performance of the Coast Guard in law enforcement, search and rescue, and enforcing the 200-mile limit and protecting the marine environment. Without an improvement in funding in this category, each of us will observe a decline in the quality of service in our States.

Second, in the capital funding area, I would hope we would return at least to the level we appropriated last year, $670 million. Hopefully, this could be increased and sustained beyond the $700 million that is minimally necessary to ensure the Coast Guard has adequate resources to function in the year 2000.

Then finally, also in the capital needs area, I would hope and recommend that the committee delay the retirement of the four aging cutters slated to be decommissioned over the next 2 years. These cutters are still operational and, while they are not as modern or habitable for the crews as we would like, they are still capable of performing needed work which would otherwise go undone.

We welcome your interest tremendously in this service, and I guess in essence what I am saying, and what I am sure is equally and more apparent to you as the chairman of the oversight committee, is that we are asking the service to do more, to carry out more functions for our Nation and at the same time giving it fewer resources to carry out the increased load.

Thank you for permitting me to make this statement.

The CHAIRMAN. Claiborne, I have been perpetually struck at how the Coast Guard manages to stretch and stretch and stretch itself with minimal increases in budget, minimal increases in personnel. You look at 20 years ago, we had a 3-mile zone, not a 200-mile zone; drug interdiction was a relatively minor problem; we were not asking them to inspect every tanker that went to go up and down the river.

We have piled on tasks and piled on tasks and piled on tasks, with no particular commensurate increase in either personnel or money. I think it is an extraordinary tribute to the service that they have done as much as they have done, as well as they have done it, with relatively little complaint.

We get more value for our money out of the Coast Guard than any other branch of the service. They are extraordinary.

Senator PELL. I would completely agree with you, and we hope that we can support them, fund them as they should be funded. And they themselves have the responsibility to carry the message to the American people. Sometimes I think they are a little bit more reticent than their sister armed services in that regard, and I think we have to make up for that.

The CHAIRMAN. Paul, any questions?

Senator TRIBLE. No, thank you.

The CHAIRMAN. Happy to have you come up and join us, Claiborne.

Senator Pell. Thank you very much.

The Chairman. Next let us take the Department of Transportation [DOT] and the Coast Guard together, if Jim Burnley, the Deputy Secretary of the DOT, and Admiral Gracey, the Commandant of the Coast Guard, could take the table.

Admiral, I do not know if you want those accompanying with you at the table or just behind you.

## STATEMENT OF JAMES H. BURNLEY IV, DEPUTY SECRETARY, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY ADM. JAMES S. GRACEY, COMMANDANT, U.S. COAST GUARD; VICE ADM. BENEDICT I. STABILE, VICE COMMANDANT; REAR ADM. PAUL YOST, CHIEF OF STAFF; AND CAPT. ROBERT NELSON, CHIEF OF BUDGET DIVISION

Admiral Gracey. Behind me.

The Chairman. All right, that is fine.

Admiral Gracey. Senator, maybe if I can change that and have Captain Nelson with us.

The Chairman. That is fine. Captain, if you want to join the Admiral.

As I have told all of the witnesses from time to time before, all of your statement will appear in the record in its entirety. You can abbreviate it as you choose to in your oral presentation.

Mr. Burnley. Thank you very much, Mr. Chairman. I appreciate the chance to appear here today before you and the members of this committee to discuss the Coast Guard's authorization proposal for fiscal year 1985 and fiscal year 1986.

As you have noted, I am accompanied by the Commandant of the Coast Guard, James S. Gracey.

Secretary Dole and I appreciate very strongly the interest that you and the members of the committee have shown in the Coast Guard and the attention that you have given the Coast Guard's operations. We are very proud to have the opportunity to work with and to represent the Coast Guard, and we share your view of what an outstanding service organization it is.

I will read a very short statement summarizing the major elements of our fiscal year 1985 authorization request for the Coast Guard, and then Admiral Gracey and I will be happy to answer any questions the committee may have.

The fiscal year 1985 authorization request we are presenting totals $2.15 billion. This request will permit the Coast Guard, we believe, to discharge its diverse and important responsibilities, while providing for the prudent allocation of our tax dollars.

Excluding the $300 million appropriated for Coast Guard's acquisition, construction, and improvements in the fiscal year 1984 DOD Appropriations Act, the authorization requested for fiscal year 1985 would permit increased appropriations of $80 million over 1984. We are also requesting authorization of appropriations for "such sums as are necessary"for fiscal year 1986.

The Coast Guard's fiscal year 1985 operating expenses budget request of $1.8 billion provides an increase of $67 million over the amount already appropriated by Congress and supplemental appropriations requested for fiscal year 1984. A general authorization is included in the event unforeseen circumstances require us to request yet another supplemental appropriation.

The $1.8 billion will be used to fund the operation and maintenance of Coast Guard ships, aircraft and facilities. In addition, the Coast Guard will do about $65 million worth of work for other agencies on a reimbursable basis.

We are also requesting an authorization of $362 million for fiscal year 1985 for the Coast Guard's acquisition, construction and improvement program. This will be used to fund capital improvements such as the helicopter procurement program, cutter acquisitions, and fleet renovations and modernizations, as well as replacement and renovation programs at selected shore sites and facilities.

This request, when combined with the $300 million appropriated for the Coast Guard's AC&I account in the fiscal year 1984 DOD Appropriations Act, will permit the Coast Guard to accelerate its renovation and modernization programs for vessels and aircraft.

Our midlife overhaul programs will result in extended service life for Coast Guard's older cutters, greater operational capabilities, and improved habitability for the crews. Major modernization programs will continue on the 378-foot high endurance and the 210-medium endurance cutters and seagoing buoy tenders.

Safety and support upgrading will also begin on five older cutters. In fiscal year 1985, major renovations will be in progress or completed on 11 older C-130 long-range search aircraft, in addition to the 3 new C-130 H-model aircraft to be procured with a portion of the $300 million transferred from DOD in fiscal year 1984. Renovation and replacement of obsolescent shore facilities will also continue.

In fiscal year 1985, the Coast Guard expects to take delivery on the fifth of a new class of medium endurance cutters, the first 4 new patrol boats, and the seventh new icebreaking tug, as well as 24 of the new short-range recovery helicopters.

## RETIRED PAY

The retired pay account provides for the retired pay of military personnel of the coast guard and coast guard reserve and members of the former Lighthouse Service; survivors' benefits, and payments for medical care of retired personnel and their dependents. For fiscal year 1985, we are requesting authorization of amounts that may be necessary.

## OTHER PROVISIONS

The Coast Guard's research and development request totals $23.5 million, which is an increase of $1 million over the fiscal year 1984 level. A substantial share of fiscal year 1985 funds will be concentrated in programs to improve the effectiveness of search and rescue and commercial vessel safety operations.

As I am sure you are aware, the President, Secretary Dole, and I are all committed to improving the safety of all modes of transportation. As you also know, traditionally the safety of life and property at sea has been one of the most important missions of the Coast Guard. In addition, an increased level of funding will be devoted to improving the Coast Guard's law enforcement capabilities under the research item in the budget.

We are proposing a $15 million funding level for financial assistance to the States for the development and implementation of a coordinated national recreational boating safety program. This level will finance the full amount authorized by law for the boating safety aspects of the program.

We are also requesting for the Reserve program a selected Reserve strength of 12,500 members, which is an increase of 500 over fiscal year 1984. And for bridge alteration and removals, we are requesting $5.2 million.

During fiscal year 1985, the Coast Guard will increase use of contracting with the private sector in areas where there will be no adverse impact on safety or national security and where it is economically advantageous to do so. These actions are expected to reduce military and civilian employment by about one percent.

There are other provisions in our authorization proposal which Admiral Gracey and I will be pleased to discuss in detail, if you wish. These proposals deal with the management and operation of the Coast Guard.

Mr. Chairman, this concludes my prepared statement, and again, the Commandant and I will be happy to answer any questions the committee may have.

The CHAIRMAN. Well first, let me say to you, Mr. Burnley, while your requested authorization is not as high as I would like—and I think this committee will do a little bit better—you have done much more than we have seen in the past.

I want to congratulate you. We have come a long way in just 2 years toward the administration and Congress being closer in harmony than we have been in the past on the Coast Guard budget, and as you are well aware, Congress in the past has rather dramatically rejected the suggested budget request.

It does appear to me, however, that you are still asking the Coast Guard to do more with less manpower and less equipment. How do you think they are going to be able to achieve that?

Mr. BURNLEY. Well, sir, let me give both a general and a more specific answer to that. First, I think that the very record that you point to of the Coast Guard's effectiveness and its ability to do an extraordinary job with limited resources gives us a good deal of optimism that, in a time of severe budget constraints, with the $200 billion deficit facing us as far as the eye can see every fiscal year, that the Coast Guard will continue to be able to build on that performance.

So, part of the answer is that they are a very fine and, we think, overall a very efficient organization, and they do a great deal with limited resources. Frankly, we propose that that continue to be the case.

Now, with respect to military staffing, let me just comment specifically on that if I might. At the end of fiscal year 1983, because of the kinds of blips that you get ordinarily in the recruiting cycle and in the attrition cycle, the Coast Guard found itself at the end of that time with 305 military employees over their ceiling. There was a temporary aberration that they had not intended, and it was a part of that normal interplay between recruiting and attrition.

When you look at the change in military personnel from fiscal year 1983 to 1984, you will find that there is a net loss of 11, 11 over the entire service. When you factor in the decommissioning of the icebreaker and look at those directly funded, versus reimbursable activities, there is in fact a gain of 195 in the Coast Guard's military personnel in directly funded programs.

So, we have that as a base, going into fiscal year 1985. In fiscal year 1985, we are proposing that some 519 military personnel positions be replaced by nonmilitary personnel. Of those 76 would be civilian employees, the balance would be through the A-76 contracting out exercise. Many of those are functions which we believe, and the Coast Guard is doing studies right now to determine whether in fact we are correct, can be done without the use of military personnel per se.

Examples of the kind of categories that we are looking at when we are talking about contracting out are: Our maintenance and repair of buildings and grounds; data processing services; security services in some instances; food services; industrial support; and engineering design. I think we would all agree that, when the Coast Guard does a proper study in these areas and if it concludes that civilian personnel can be used in these areas without any adverse impacts on safety or security, that that is worth taking a look at.

We are in a continuing period of tight budget and the constraints are substantial. By going through these exercises with care and by looking at what is happening here, the Coast Guard is going to have resources that meet its missions.

The CHAIRMAN. Mr. Burnley, let me ask you this, in Oregon one of the biggest parts of the Coast Guard we see is search and rescue. We had field hearings on that this year. They do an extraordinary job, and if there is any concern, it is to the possibility that search and rescue will be cut back, and search and rescue area stations closed.

What assurances can you give us, not only in Oregon but elsewhere, as to the search-and-rescue mission and whether or not it will be cut back?

Mr. BURNLEY. Well, we have no intention of seeking any significant cutbacks in that mission. As you know, the Coast Guard is a multimission organization. Literally, what that means is that a given cutter may be both on call for search and rescue and also engaged, for example, in fisheries enforcement.

So it is certainly not our intention to see any deterioration whatsoever in that area, and I might ask the Commandant to comment further on that.

Admiral GRACEY. That is correct, Mr. Chairman. We do not anticipate any reductions in our search-and-rescue capability in Oregon or elsewhere. Minor adjustments as we always do, but none in the sense of station closings or anything like that.

The CHAIRMAN. Well, that is very encouraging. I am glad to hear that.

Mr. Burnley, you are well familiar with the fact that Secretary Dole has been supportive of the FRAM program, the fleet renovation and modernization program. I talked with her and I talked with Admiral Gracey the other day about having the Small Business Administration's request for a set-aside honored.

When I talked with Admiral Gracey, I mistakenly said that the Navy has a set-aside program. What they do is a fair amount of work in yards that would classify as small business if you defined them. In fact, they are working on ships significantly bigger in those yards than most of the Coast Guard ships.

I am curious what the intention of the Department is in terms of the small business set-aside.

Mr. **Burnley**. Mr. Chairman, as you know, the SBA has had ongoing discussions with the Coast Guard on this issue, and we in the Secretary's office have been sensitive to it and have had a number of contacts from those in the Congress who have their ideas on this issue, including yourself, as you mentioned.

Obviously, if the decision is not to go the strict small business set-aside route, the smaller yards will still have the right to compete and to seek some of that work. As I understand the current status of the matter, however, the decision and the review at the request of the SBA is now pending on the Commandant's desk. We have in the last 24 hours consulted with the Coast Guard and specifically with Chief of Staff Admiral Yost.

I would expect that there would be consultations between the Coast Guard leadership and the Office of the Secretary before the final decision is made. The final decision in terms of the current SBA request for review of this issue is pending. We would expect that to be made by May 4, I believe is the date.

Admiral **Gracey**. Mr. Chairman, if I might interject at that point.

The **Chairman**. Admiral.

Admiral **Gracey**. You might be interested in knowing that Saturday we sent out solicitations for the proposal in advance of the decision having been made. In order to get the time to run, we sent solicitations to large and small business alike, with the caveat that this decision remains to be made, so that shipyards would be aware that it is conceivable that a large yard might do some preparatory work and it be to no avail if we were to make a small business decision.

But that solicitation has gone out, and you all have constituents who are interested in it and I thought you should be aware of that.

The **Chairman**. Another reason that the Coast Guard gets along so well is that you attempt to put out a fire before the fire is started if possible. Very seldom does the Coast Guard blind side anybody, and you may not always make decisions that everybody likes, but your adeptness at involving local people, involving Members of Congress and going with us hand in hand is not only appreciated, but it is very effective.

Mr. Burnley, let me ask you a three-part question: One, does the administration wish to initiate the assessment of user fees for some of the services provided by the Coast Guard?

Two, if so, which services will be subjected to the fee, and how much revenue would be raised?

Three, what is the basis for your revenue estimates?

Mr. **Purnley**. Mr. Chairman, as you know, the administration has, I believe, at least twice before in the legislative cycle proposed legislation that would broadly redirect the Coast Guard in terms of its funding to user fees. The Congress has made the judgment in both cases that those legislative proposals were going nowhere. We have not been so bold or foolhardy as to send it back again this year.

However, we do continue to believe that there are some user fees which, through the rulemaking process, the Coast Guard has authority, under 31 U.S.C. 9701, to implement. It is good public policy to at least consider that. For example, permits for marine regattas. I know of no reason why the taxpayers of this country ought to fund the process directly of making available permits for marine regattas.

For that matter, I know of no reason why the folks who live in Des Moines ought to pay for regatta patrols when a regatta is under way. We would propose to look at areas like that through the rulemaking process, permit comments, and if it seems appropriate then we would seek through a final rule to seek recovery of those costs from those who seek those services.

Another example would be permits for private aids to navigation. Another is domestic icebreaking on specific request in waters that are not normally navigable in the winter. So again, these are examples where we think if somebody comes to the Coast Guard to ask for special services, we ought to at least look at whether or not we can recover those costs.

Our best estimate at the moment is that $10.5 million a year might be recovered with all of those areas where we are able to get at it through the rulemaking process. So we are not talking about a major percentage of the Coast Guard budget shifting from the general fund to user fees.

And again, we will look at this with care and there will be an opportunity for public comment on all such proposals.

The **Chairman**. I would very much appreciate—you do not have to give it to me right now—the basis for your revenue estimates. Of all the things that I have discovered in the 15 years I have been in the Congress, it is that the basis for estimates of revenue are often very speculative.

Mr. **Burnley**. I will be happy to provide that for the record, Senator.

[The following information was subsequently received for the record:]

*Initial SVCS to be or already made subject to user fees*

| | |
|---|---|
| 1. Permits for private aid to navigation | $58,000 |
| 2. Marking obstructions and other hazards | [1] 80,000 |
| 3. Domestic icebreaking on specific requests | 950,000 |
| 4. (A) Inspection and issuance of a certificate license or permit to small passenger vessels; (B) Vessel equipment approval and factory inspections | 6,480,000 |
| 5. Outer continental shelf facility inspections | 585,000 |
| 6. Port environmental safety facility inspections | 1,480,000 |
| 7. Permits for marine regattas | 105,000 |
| 8. Regatta patrols | 795,000 |
| | 10,533,000 |

[1] Already being collected.

The **Chairman**. Thank you.

Admiral, let me ask you this question. As you are well aware, late in 1983 Congress appropriated $300 million for the Navy with the requirement that the funds be transferred to the Coast Guard. And during the floor debate congressional leaders indicated those funds should be for military readiness and law enforcement.

Can you explain how those funds have been allocated, and were any of the projects originally planned for 1986 or later in any event?

Admiral GRACEY. Mr. Chairman, it is very difficult to explain how that list got to where it is, because it went through several iterations back and forth between the Congress and the administration and even before that.

The original intent of the program that we submitted, by "we" I mean the administration and the Coast Guard—in response to how we were going to use the $300 million, was to focus on things that would enhance our capabilities, particularly in the defense and law enforcement fields.

There were some items on there which would have been done in future years anyway. It was a case of moving up our future from our capital investment projection list, which I believe you are referring to. The final version does have some of those items. I can present a list for the record if it will be helpful, sir, as to how the list changed in the course of the iteration.

We have $190 million now that will be spent for existing vessels. In addition $42 million that will go for replacement of our WPB's patrol boats. This is a program that was going to start in the future. Ultimately our 95-footers and 82-footers are going to have to be replaced.

We had a contract out for the additional boats that were provided by Congress a couple of years ago. The contract was just about to be awarded. We thought this was a fine opportunity to save a few million dollars just in contract preparation alone by starting that replacement program and adding some boats from the $300 million add-on to the contract.

That option is now going to be pursued. We have done some work on the fleet modernization program and the mid-life maintenance availability. Those are programs that were ongoing and some of that would be done and the add-on would, as the Secretary said, expedite these programs.

In the field of aircraft, there are some replacement aircraft, new C-130's. We will continue the really very effective PILOC program, which is to take essentially a new airframe, use some of our high-cost items like engines and avionics, put them in that brand-new airframe. Essentially we have a new airplane but for considerably less money. There are also some shore facility items.

I guess the bottom line is that we have a potpourri. They are all things that are going to contribute to our effectiveness in the kinds of areas that the Congress expressed its interest. But yes, some of them are items that we were planning to do in the future anyway.

The CHAIRMAN. My time is up, but I will make this comment. The reason I ask is we intended that $300 million not to simply accelerate projects that would have been undertaken in any event. We intended to expand the Coast Guard capabilities, and this is a particular area that this committee has been looking at very closely, to make sure that we just have not seen a sleight of hand acceleration of projects in order to use up the $300 million, which the administration, as the Secretary is well aware, did not want passed.

So I will return to that subject a little later, and I can assure you this committee will return to the subject.

Admiral **Gracey**. Mr. Chairman, could I go back to one item? Senator, would you forgive me, but there was an item I wanted to add to what the Secretary said about A–76, and I thought you were going to go on with it.

I would just like to add that one of the things that we have to look at very closely in that arena is also the protection of our force structure and our sea service rotation capability. So I am telling you this just as an added assurance that the integrity of the Coast Guard will be maintained.

In addition to going through the mechanics of the A–76 process, which involves finding the most cost effective way to do the work, we are also going to look at actions which would impact on our total military force structure for the future. If there is one that would impinge on a critical specialty, for example, or that would violate the ability for us to rotate people from isolated duty back to the continental United States or from sea to shore, then no matter what the cost effectiveness is on that we will not go ahead with it.

I wanted to just assure you that we are protecting the integrity of the Coast Guard in this process.

Mr. **Burnley**. Mr. Chairman, there is no disagreement on that between the Coast Guard and the office of the Secretary.

The **Chairman**. Thank you.

Paul.

Senator **Trible**. Mr. Chairman, I have no questions, but I would like to say just a couple words if I might. First of all, I want to applaud your leadership, Mr. Chairman, and the presence of our distinguished colleague Senator Pell today. The Coast Guard is important. The responsibilities of the Coast Guard are wide-ranging and all-important.

Yet the resources allocated to the Coast Guard on a year to year basis are relatively modest. So I believe it is our responsibility, those of us that serve in the Congress and in the other branches of government, to underscore the really first class job that the Coast Guard has been doing and is doing, so that the role of the Coast Guard is more appreciated and rewarded.

And for the record, I want to voice my strong support, Admiral, for what you and your very excellent Coast Guard are doing for my constituents in Virginia, for all Americans, and I want to promise you my full support in the days ahead.

Admiral **Gracey**. Thank you, Senator.

Senator **Trible**. Thank you, Mr. Chairman.

The **Chairman**. Claiborne.

Senator **Pell**. Thank you very much, Mr. Chairman, for your hospitality. I have a couple of questions, if I might.

First, am I correct in saying that 2 years from now we will have fewer medium cutters and high endurance cutters in service than is the case today, both in the United States as a whole and in the

First District, New England, with which I am particularly interested?

Admiral **Gracey**. During the course of the FRAM and the mid-life availability, Senator, yes, there will probably be less cutters at any given time than there are at the moment. However, we have a very carefully worked out plan by which we will make up for the lost operating time of those cutters by augmenting the ones that are remaining in service with crews taken off the ones that are being renovated. Also, by pressing into greater service some of our smaller cutters, some of our seagoing buoy tenders and so forth, into a greater percentage of law enforcement effort.

We think we have a plan that will make up the ship days, but it will not be in terms of numbers of hulls.

Senator **Pell**. What you are really saying, Admiral, is you are going to do more with less.

Admiral **Gracey**. Temporarily, Senator. You have to do that.

Senator **Pell**. And you know far better than I do that the search and rescue potentials and the law enforcement potentials of buoy tenders, even oceangoing buoy tenders, is not great.

Admiral **Gracey**. Senator, the oceangoing buoy tenders have operated worldwide. They have operated for 2 months at a time up along Greenland and they have operated all over the world. They are a very effective vessel. I would not pretend to tell you they are the same as a high endurance cutter.

Senator **Pell**. What is their speed?

Admiral **Gracey**. Thirteen knots. But speed in a heavy seaway when you are on a search and rescue case does not mean anything. You cannot make it anyway.

Senator **Pell**. I was thinking of the law enforcement activity.

And in the first district, would it not be true also that there would be fewer cutters to perform the job than are there now?

Admiral **Gracey**. From time to time during this period, Senator, I am sure there would be. I would have to have the schedule in front of me. But just knowing how many cutters there are in the first district and knowing how the rotation plan in and out of the yards will work, I am sure that there will be times when there will be fewer hulls available in the first district.

Senator **Pell**. Now, I would like to get to this question of the contracting out. Are not many of these jobs that will be performed by contracting out, are planned to be performed by contracting out, now being handled by regular military personnel?

Admiral **Gracey**. Yes, sir.

Senator **Pell**. Well, will this not reduce your base and decrease again your ability to cope with unexpected crises?

Admiral **Gracey**. There is no question, Senator, that it will reduce our base and depending on the nature of what goes, it reduces our flexibility. But you can only assume that it will reduce our flexibility to the extent that you could have brought in replacement people to do that work in an emergency situation. If you can do that then, you can do it now.

So yes, it reduces the flexibility, but that is why I am talking about protecting and watching the force structure and the sea-shore rotation out of fairness to our people. And I should have mentioned also our mobilization and contingency responsibilities.

That is a part of what I am talking about with the force structure. So we are protecting that.

There is always some support that is required, and the kind of support we are talking about, at least in this first round, is the kind of thing that presumably would be available in the private community anyway.

Senator PELL. And I understand full well, Admiral, the constraints under which the Coast Guard operates from the viewpoint of the bureaucracy. But speaking as a friend of the Coast Guard and a Coast Guard retired officer myself, I do think that somehow or other you should be challenged to emulate the other services in what they do in seeking greater support.

I know you have a tremendous problem in this regard, but you are asking really for less to do more and this really disturbs me a good deal. I know the problem that you face.

I do compliment you very much on the use of your reserves, because I have seen over the last few years how so much of your work, particularly search and rescue and some law enforcement, has been handled by the weekend and the 2-week reservists, and I congratulate you on that very much.

Admiral GRACEY. Thank you, Senator.

I am interested in your suggestion that we should emulate the other services. We have always thought that they should emulate us.

Mr. BURNLEY. We would heartily concur, Senator. If I might just comment, I think it is very important to keep in mind why it is that there may be some temporary reduction in the number of hulls out there and to reemphasize the point that the Coast Guard has done an extraordinary job of planning through crew augmentation to get more time out of the hulls that will be out there.

But the reason for that is not that the Coast Guard is deteriorating and that we are moving toward a smaller Coast Guard. The reason is just the contrary, as you recognize I am sure. It is that we are modernizing and totally revamping our cutters through the FRAM program, we are buying new medium range cutters.

And during the cycle necessary for this work to go on, of course, there are going to be some aberrations. But I think it very important for the record to be clear that the Coast Guard has worked hard in its planning, and I have seen no evidence of any reason for concern about a deterioration in either its ability for search and rescue or its abilities in law enforcement during this period.

Senator PELL. Thank you.

I thank the chairman very much for his hospitality in letting me be here. Thank you, Bob.

The CHAIRMAN. Claiborne, for anyone who has supported the Coast Guard as long as you have, you may come any time we have these hearings.

Admiral, let me ask you about the sinkings of the *Poet* and the *Marine Electric*, both older vessels, and you, along with the American Bureau of Shipping, inspect these vessels periodically. After the sinkings, has the Coast Guard changed its inspection procedures in any respect with older vessels?

Admiral GRACEY. Yes, Senator. Yes, Mr. Chairman. We have made some changes in approach, but not in the basic approach to inspections. We have set up a program involving older vessels that is a rather comprehensive program which we started last August.

We have set up a process by which the field will notify headquarters here in Washington whenever there is a vessel over 20 years old that is due for a routine inspection or is undergoing inspection for any reason. We then send a senior, very experienced inspector from headquarters out to observe that inspection and to go along with the people in the field on a selective basis. The results are reviewed whether the headquarters inspector goes out or not.

The purpose, of course, is to ensure compliance, to check on the inspection procedures in the field, and also to get some more amplifying information so that we can assess just how serious a problem we may have.

So far we have been notified of 66 vessels in this category. We have visited 32 of those inspections. We found no major problems on 30 of those. On two of them the certificate of inspection of the ship was pulled by the local inspector. By the way, the traveling inspector concurred in that act.

Overall evaluation is that, while they are old, these ships are in general not in bad condition. I am sure in the national interest we would all like to see them so maintained certainly in the interest of defense capability and the very significant contribution the merchant fleet—I like the term "merchant navy"—makes to defense capability.

The Chairman. Good. That is encouraging. I am glad to hear it.

Admiral, what role is the Coast Guard going to play this summer in providing security at the Olympics?

Admiral Gracey. Well, Senator, it is going to be rather an extensive role.

The Chairman. Have you gotten any extra money to do this?

Admiral Gracey. We have some money in the budget for it, sir.

The Chairman. Let me rephrase that.

Under that theory, you have got money for anything in the budget. Did you get any extra money for these additional duties?

Admiral Gracey. No, sir. We have $1.6 million earmarked in the 1984 operating budget to cover that.

The Chairman. What are some of the duties you are going to be undertaking?

Admiral Gracey. Well, they fall into essentially four categories:

One, what we call venue operations, which is crowd control, safety of spectators, preventing disturbances, and search and rescue in and around primarily the water events. There are going to be a lot of yachting events and that sort of thing.

Then protection of dignitaries. This will be providing operating platforms for the Secret Service and other agencies. We will be providing whatever protection assistance we can. A lot of the visiting dignitaries are either planning to be out on the water to watch the events or to be coming in by sea.

Our normal port security, safety and security operations will go on, doing our statutory responsibilities. We are the lead agency for the water site aspects of that, but we are working very closely with the FBI, the local police and all the other people involved.

And then the final function is in terms of command, control and communications, and providing an operations center for that sort of thing.

The CHAIRMAN. I ask the question because I understand the Department of Defense got some additional specific money for their additional duties there. The Coast Guard did not, and I think it is another example of where we are asking the Coast Guard once more to undertake something, tertiarily connected to its duties, I think, but they willingly undertake it.

But at some stage, Mr. Deputy Secretary, this rubberband is going to snap. You can only stretch the Coast Guard so far.

Mr. BURNLEY. We agree with that, Mr. Chairman, and that is why in this instance you have got $1.6 million specifically earmarked, and I do not know how you characterize that. In theory, I think, and probably in fact, our request would have been reduced by that amount were it not for the Olympics.

So I want to try to take credit, at least, for having provided those resources through the request. But clearly, they, the Coast Guard, once again because of its efficiency, is being expected to perform at its usual high standard. We share your view that they have got to have adequate resources and we provide our request will provide those resources overall.

Admiral GRACEY. One of the arguments we have always made for maintaining our multimission strength, and one of the reasons I resist rather strenuously efforts to, for example, make a single mission vessel out of a buoy tender or civilianize it, is that we, through the multimission capability of both our people and our resources, have a great deal of flexibility.

We can flow in and out of things like the Cuban crisis and the Olympics. I do not want to put the two in the same category, but operationally for us they are that kind of thing.

You mentioned the use of our Reserves, Senator Pell. The reservists are going to help us a great deal here. One of the things we are able to do that I think is rather unique among the services is we use our Reserve personnel for hands-on training in the form of augmenting our regulars when we have a press like this.

Yes, it costs a little bit of extra money to pay the reservists while they are doing the extra duty and so forth, but it gives us the flexibility. It is the great strength, one of the great strengths of the Coast Guard.

The CHAIRMAN. What role does the Coast Guard play in the Vice President's antidrug smuggling program, and does that require any additional personnel?

Admiral GRACEY. You are talking about the national narcotics border interdiction system, Mr. Chairman? Our role there is one of a full partner in the program, both starting with the Secretary in the oversight aspect, and me on an executive committee and we work on down from there.

But out where the work is done, of the six regional centers, three of the regional coordinators are Coast Guard admirals; in two of the other three centers, the deputy regional coordinator are Coast Guard captains.

In those places where we are the regional coordinator, we maintain and operate the operations intelligence center. We provide intelligence data and we work on a cooperative basis with the other agencies. We do provide some staffing to maintain the centers and contribute, as all agencies.

Mr. **Burnley**. Mr. Chairman, I think it important to note what underlies the Vice President's whole interdiction effort. It was not intended from the very beginning, as I understand it, to represent a massive new application of new resources. The whole point is to try to improve what has been, frankly, a spotty record in past years of coordination among the various Federal, State, and local agencies that have responsibilities in this area.

That has been the thrust of the effort, and my personal observation has been that we have made great progress as a government in improving that coordination, but we still have got some gaps and we have still got some things we are working on.

The whole point was to do a better job with existing resources, rather than to create a grandiose new program which might well have precisely the same problems we have had in years gone by with the fragmented approach.

The **Chairman**. Well, let me say again, I am 90 percent satisfied with the Department of Transportation's effort. We have moved so far in the last several years on this budget. I would hope by next year that your request would be exactly what we want to authorize.

Mr. **Burnley**. I would like to think, Senator, that halcyon day would come, but I am not going to count on it.

The **Chairman**. Gentlemen, I have no more questions.

Claiborne.

Senator **Pell**. Thank you.

The **Chairman**. Mr. Deputy Secretary, Admiral, Captain, thank you very, very much for coming. We appreciate it.

[The following information was subsequently received for the record:]

### Questions of Senator Hollings and the Answers Thereto

*Question.* The Fiscal Year 1982 authorization legislation for the U.S. Coast Guard required that at least one helicopter be based in Charleston, South Carolina for search and rescue and other missions. Why hasn't this been done yet?

Answer. As indicated in the DOT General Counsel letter to OMB dated 18 December 1981 the Department of Transportation and the Coast Guard do not construe this provision as requiring permanent stationing of an aircraft. Coast Guard helicopters deploy on an as needed basis, out of Charleston, South Carolina approximately four to five times per month. The current level of activity and method of operation are sufficient to meet operational needs in the area. Consequently, no additional funds are required and none have been requested.

*Question.* In the recent past the Coast Guard has proposed that the cutter Escape, located in Charleston, South Carolina, be decommissioned. The Escape has continued to carry out its missions effectively, and such a decommissioning without replacement would be of considerable concern. What is the likelihood that this decommissioning proposal will be resurrected in the next three fiscal years?

Answer. AC&I funds were provided in FY 1983 budget amendment to perform necessary repairs and restorations on CGC ESCAPE to enable us to continue to safely operate the ship through FY 1988. Those repairs will be completed in FY 1984. The FY 1983 budget amendment also restored operating funds for Escape.

*Question.* The decision to consolidate vessel documentation offices around the country was met with alarm by a number of users, especially fishermen. Since implementing this decision, what kinds of complaints have you received by users and how do you intend to satisfy them?

Please state the advantages and disadvantages that have resulted from the consolidations, both for the Coast Guard and the user groups.

Answer. Complaints fall within two basic areas: (1) delays in obtaining certificates of documentation and recordation of preferred mortgages, and (2) the loss of personal service previously available at local offices.

Most delays are a result of a backlog of transaction requests, the majority of which do not involve fishing or other commercial vessels. Where delays do exist however, first priority is being given to commercial vessel transactions. Further, we are conducting a vessel documentation training course for junior officers from April 24 through May 4, 1984. These officers will be assigned to Documentation Ports to help with the backlog situation.

The complaint of loss of personal service is more intangible. Typically, applicants for documentation were assisted in completing the required paperwork. Vessel documentation procedures and forms were simplified, thereby reducing the need for assistance and the number of incomplete or improperly executed applications submitted. The requirement for the vessel owner and the master to appear before a notary public or a Coast Guard Documentation Officer to take oaths has also been eliminated. We believe the perceived need for personal visits to documentation offices should be lessened as vessel owners become more familiar with the new regulations.

Specific advantages to the Coast Guard are: (1) reduced Coast Guard Commercial Vessel Safety operating expenses, which will effectively reduce the cost of the vessel documentation program to the taxpayer, (2) productivity is improved in the larger offices because assignments can be made on the basis of specialization and expertise, (3) eventual implementation of automated recordkeeping which should assist in eliminating service backlogs, and (4) enhanced uniformity of interpretation and application of laws and regulations.

Advantages to user groups are: (1) uniform interpretation and application of law and regulations; and, (2) upon implementation of computerization our service will be more responsive.

The disadvantage to the Coast Guard was the loss of trained personnel who did not elect to move with the job. This is being rectified through hiring and training of new personnel as well as through the previously mentioned training course for junior Coast Guard officers.

The disadvangtages to user groups are the loss of local service and the short term problem of delays.

*Question.* In Florida it is reported that a number of commercial fishing vessels have been delayed from operation, with consequent loss of income, as a result of delays in USCG documentation. Have you considered any means for expenditing documentation in Florida, especially where fishermen's livelihoods are at stake? Would it be possible to issue a contract to a private contractor to handle backlogs, or to provide special expedited handling for an increased fee?

Answer. There is currently a two week commercial vessel backlog in Miami. We are confident that the training and assignment of junior officers in the immediate future will aid in eliminating that backlog.

The possibility of obtaining contractual assistance was studied, and it is our opinion that the documentation function is not susceptible to contracting. Obtaining additional temporary personnel through contracting is basically precluded because vessel documentation is a highly specialized field.

With regard to expedited handling, vessel documentation services can be obtained on a reimburseable overtime basis under Section 5 of the Act of February 13, 1911, as amended. Overtime services are subject to the approval of the District Commander.

*Question.* The Administration's FY 1985 budget shows a reduction of 582 positions as a result of A-76 savings. Why did the Administration decide to eliminate these positions before the Coast Guard had even commenced studies of contractable positions?

Answer. These are anticipatory reductions based upon the experience of the Department of Defense (DOD) and National Ocean and Atmosphere Administration (NOAA) who have pursued programs of similar magnitude and activity under the A-76 process.

*Question.* Please list the job categories that will not be considered for A-76 studies in the future and those that are considered appropriate for contracting?

Answer. The job categories not considered appropriate for contracting are generally in the operational area. They include the operation of cutters, boats and aircraft, command and communication functions, activities that are essentially military or governmental in nature and the operational activities associated with programs such as emergency search and rescue (SAR) and law enforcement. The activities that are considered appropriate for contracting are generally in the support area. They include security, janitorial and custodial services, building and grounds maintenance, trash removal, food service and some public works and industrial functions.

*Question.* Please indicate the kinds of activities of Coast Guard that are presently done under contract and the amount of money used for it. Also state what the Coast Guard has done in the last five years to carry out its functions more cost effectively, and indicate the savings achieved.

Answer. The Coast Guard routinely considers contracting for all kinds of activities, such as equipment and material testing, maintenance, repair and rebuilding of cutters, boats, and shore facilities, installation of equipment, architect and engineer services for construction, automated data processing services, special studies, and housekeeping and training services. The total annual cost for the present contracting of these services is approximately $333 million. The Coast Guard has pursued many avenues to reduce costs over the last five years. We have introduced automated systems to our Marine Safety Program that have reduced costs by $1,931,000 and 32 positions. We have consolidated underutilized facilities that have resulted in 1637 positions and $3,407,000 being eliminated from our budget. The introduction of word processing equipment and an automated pay system has allowed for the reduction of 124 positions and savings of $1,577,000 in costs. The use of automated control systems has resulted in savings of 39 positions and $393,000 and the prospect of an additional 12 positions and $250,000 in our 1985 budget for lighthouse automation. We have used solar power in our Aids-to-Navigation program to generate savings of $200,000 and a projected savings of $375,000 in our 1985 budget. We have reviewed internal procedures that have resulted in greater tour lengths, less travel, reductions in office furniture and space requirements that have generated $7,609,000 in savings.

*Question.* In the past few years the Coast Guard has received over $600 million more in Acquisition, Construction and Improvement than the Administration has requested in its budget estimates. It appears that the Coast Guard is having difficulty completing all the procurement(s) in a timely manner. Please indicate what difficulties you have encountered in meeting this procurement demand, including any problems associated with procurement staffing.

Answer. The pincipal factors governing obligation of the funds and completion of the projects which comprise the $600 million are adequacy of advanced project and procurement planning and the adequacy of design, project management, and contracting resources. At the time appropriations are increased, line items in the normal budget are much further along in this process than those which made up the $300 million list. The patrol boat (WPB) acquisition is an example of a program which required extensive mission requirements definition as well as procurement planning and agreement within DOT before the procurement process could advance. This project required considerable man hours to develop and have approved an appropriate procurement strategy, configure and acquisition team, develop contract specifications, review proposals, and meet many other requirements of the procurement process. Procurement personnel alone have not been a problem, however, no additional AC&I personnel were provided with the fiscal year 1984 $300 million appropriation. Consequently, $3.88 million has been identified within the fiscal year 1984 $300 million appropriation to acquire contracted engineering services including survey and design for vessel and shore facility alteration and construction. These resources will augment in-house staff to assit in execution of projects.

*Question.* How many Coast Guard personnel were transferred to the National Narcotic Border Interdiction System office to help meet staffing needs? Did OMB provide extra positions in the budget to satisfy this additional demand? If not, where were these positions transferred from?

Answer. Coast Guard provided a total of 76 billets for NNBIS. These billets were taken from our support and training base. Consistent with their treatment of other law enforcement agencies OMB did not provide extra positions in the budget for NNBIS.

*Question.* Please provide a 3 year projection through FY-1987 of operating expense requirements as a result of a new capital equipment being put into operation (taking into account anticipated decommissionings).

Answer. Budget authority requirements in the operating expenses account for FY-1985 are shown below. Requirements for new capital equipment to be put into service in 1986 are approximately $44 million and in 1987 are approximately $17 million. These estimates beyond FY-1985 are difficult to accurately project at this time because of the variability inherent in delivery schedules, fuel prices, staffing, program requirements and Executive and Legislative Branch approval of budget requests:

*Fiscal year 1985*

| | |
|---|---|
| New equipment: | |
| One 140′ WTGB | $213,000 |
| One 270′ WMEC (SPENCER) | 2,053,000 |
| Twenty-four HH-65 (net of HH52 funding) | 6,319,000 |
| Subtotal | 8,585,000 |
| Decommissioning: | |
| Annualization of FY-1984 327′ WHEC reductions | −4,600,000 |
| Two 110′ WYTMs | −1,000,000 |
| Subtotal | −5,600,000 |
| 1985 net increase | +2,985,000 |

*Question.* Given the workload of your personnel and OMB's effort to further reduce your personnel strength, do you see any possibilities for automation that will help increase productivity without additional manpower needs? If so, what advances in automation do you have in mind, especially in the area of information management? Please explain the prospective benefits of such automation.

Answer. Yes. Presently, a proportionately large amount of the time and effort of our operational, technical and management professionals is involved in generating hard copy reports, assembling and collating data from these reports, and presenting the information in a format suitable for making sound decisions. An enormous amount of this effort is manual and time consuming. Furthermore, much of the data is entered into our various decision-making channels more than once in order to meet the needs of different decision makers. The entire process takes our professionals, at all levels, away from the business of analysis and decision-making that we require of them. The problem is growing as requirements for more complete, timely and accurate information grow.

We have begun development of a strategic plan (Information Architecture Plan) for fully integrating all information needs and systems. The plan will define the framework of manual and automated methods and components to be used for building systems including sensors, computers, terminals, communications, and people. Our goal with respect to information is to collect data once, preferably automatically at its source, and then make it available where needed. We have initiatives to augment existing high-end (mainframe) ADP capability by providing mid-level (mini-computer) processing capability at our Districts and Headquarters Units and local processing and/or remote data entry capability using standard terminals (microcomputers) at our stations and cutters. These initiaives coupled with other ongoing efforts to build a data base management environment (e.g., Coast Guardwide data dictionary, data standards and strategic data models) will provide the basis for our managing our information resources.

In the communications area, we have begun the modernization of HF transmission systems and integration of computer assisted control of the transmitting assets. Automation of message handling and routing by an unclassified operation message switch is currently being installed at selected locations. We believe the capability exists to process 95% of all unclassified traffic automatically without human intervention. We also have several ongoing efforts to automate our Operation Centers (OPCENs). Software tools are being developed and tested to provide automated linkage to remote host computer applications at the Operational Computer Center (OCC), improved graphics, local data bases of reference information, automation of record keeping and report generation, and interconnection with Communication Center record message systems.

Taking advantage of automated tools will require a shift of resources with possible reductions in some areas. Some of these resources will have to be re-allocated for maintenance of these new systems. The ultimate objective of all our automation efforts is to help us enhance mission performance (timeliness, productivity and effectiveness) while maintaining personnel resource levels. In particular, we expect better use of information will enhance the quality and timeliness of decisions and increase the productivity of our managers.

*Question.* It is reported that the Coast Guard is considering the use of high resolution, remote-control color television cameras to inspect the tanks of ocean incineration ships and chemical tankers, thus saving industry substantial decontamination costs which would normally be required for direct inspection by USCG personnel. What appear to be the advantages and disadvantages of such a remote control technique? What decision has the Coast Guard made on this approach to inspection of ships that carry hazardous materials?

Answer. The Coast Guard is currently considering the use of color TV equipment to examine the internal tank surface on a single ocean incineration ship, the VULCANUS II. The primary advantage of this approach and our reason for considering it is it provides an inspector the opportunity to examine the cargo tanks without being exposed to a potentially toxic environment.

Ocean incineration ships are special purpose vessels that pose special or unusual risks to the health of our personnel and the public. In carrying out our task of insuring the incineration ship is safe for the service intended we must avail ourself of every reasonable tool to accomplish this job in a professional manner with minimum risk to our inspectors.

The use of color television equipment as a first cut examination on the internal surface of an incincerator ships cargo tanks appears to have merit. We have tried this technique in a controlled situation and the results are encouraging. The system we are considering does not use "remote-control" television and does require the vessel owner or operator to decontaminate the cargo tanks. Further, all personnel entering the cargo tanks would wear full protective clothing to guard against residual liquid or vapor toxicity. If an irregularity or discontinuity is detected our inspector would probably be required to enter the tank, check the discrepancy and insure it is properly repaired.

No decision will be made on accepting this type of inspection technique unless it is proved to be as effective as regular inspection techniques.

Finally, even though we look at all new technology, we have no plans at present to extend the use of this technique to any other group or class of U.S. vessels.

*Question.* Recently, several amendments to the Federal Boat Safety Act have been proposed by outside groups. These amendments are designed to increase consumer or public participaton in the process through which a product may be ruled to contain a safety defect. The underlying rationale behind these amendments appears to be the complaint that at present there is little or no public or consumer involvement in the safety defect determination process.

To what extent is this an accurate assessment (i.e., what is the level of public involvement at the present)? How would the Coast Guard react to a change of law to permit increased involvement from the public sector, e.g., providing authority for a citizen to initiate an investigation of a potential safety defect? What do you think might be some of the practical difficulties of such a change in the law?

Answer. In the eleven years that the Coast Guard has been administering the Federal Boat Safety Act we have received about 600 reports of safety defects from test laboratories, factory inspections, manufacturers, and consumers. During that time we have declared that 182 of these cases "created a substantial risk of personal injury to the public." One boating group has disagreed with our determinations on a very few occasions. We both agree that most complaints are not life threatening.

While it is true that there is little general public involvement initially, we always conduct our investigations with the full knowledge of both the consumer (complainant) and the manufacturer. Copies of all correspondence are provided to both parties. However, presently, we do not release information to outside parties concerning our investigations until they are completed. We believe that this procedure combines the best elements of fairness, cooperation, and protection for both the involved consumer and the manufacturer.

After the investigation is completed, a copy of our determination is sent to both the consumer and the manufacturer. If the case is determined to be a safety defect, it is listed with a short description in our Boating Safety Circular. This quarterly publication is sent to 19,000 persons, magazines, newspapers and boating writers, all of whom have an interest in boating safety. Typically, this information is reprinted in boating magazines and newspaper boating columns reaching about 20,000,000 additional persons. By comparison, the Federal Register has 23,000 paid subscribers, and 11,000 government subscribers, most of whom have no interest in boating safety.

Concerning the Question of citizens initiating an investigation of a potential safety defect . . . a large number of the present investigations are initiated by citizen complaints.

The practical effect of the proposed amendments would be to increase the cost and complexity of a process which has minimal impact on public safety. Additional staff and resources would be required to cover the costs, such as processing, public hearings, travel and additional testing, associated with the amendments. Instead of negotiating the resolution of these cases in a cooperative atmosphere, we might be placed in an adversary position with both the manufacturers and consumer advocates.

*Question.* The following are two proposed amendments to the Federal Boat Safety Act. Neither have been introduced as yet. The first amendment provides a mechanism for a person to initiate an investigation of a product. The second amendment deals with the dissemination of information regarding safety defects.

### AMENDMENT NO. 1

Purpose: To provide a mechanism whereby any person with evidence that a safety defect exists may formally petition the Coast Guard to investigate and take action.

Change: Amend Section 15 (46 USC 1464) of the Federal Boat Safety Act of 1971 by adding a complete subsection such as Section 124 (15 USC 1410a) of the National Traffic and Motor Vehicle Safety Act of 1966:

(h) Any interested person may file with the Secretary a petition requesting him to commence a proceeding to determine whether to issue an order pursuant to subsections (a), (b), (c), (d) and (e) of this Section of this Act. Such petition shall set forth (1) facts and evidence which establish that such an order is necessary, and (2) a brief description of the substance of the order which it is claimed should be issued by the Secretary. The Secretary may hold a public hearing or may conduct such investigation or proceeding as he deems appropriate in order to determine whether or not such petition should be granted. Within 120 days after the filing of such a petition described in this subsection, the Secretary shall either grant or deny the petition. If the Secretary grants such petition, he shall promptly commence the proceeding requested in the petition. If the Secretary denies such petition, he shall publish in the Federal Register his reasons for such denial.

### AMENDMENT NO. 2

Purpose: To formalize the "declaration of a Safety Defect" by the Coast Guard, to give the public the right to investigative information and the opportunity to present views and data in the case of disputed defect.

Change: Amend Section 15 (46 USC 1464) subsection (e) of the Federal Boat Safety Act of 1971 by adding provisions (shown *underscored)* such as contained in Section 152 (15 USC 1410a) subsection (a) of the National Traffic and Motor Vehicle Safety Act of 1966:

(e) If through testing, inspection, investigation, research, or examination of reports carried out pursuant to this Act the Secretary determines that any boat or associated equipment subject to this Act—

(1) fails to comply with an applicable standard or regulation prescribed pursuant to Section 5; or

(2) contains a defect which relates to safety, and if the Secretary determines that notification provided under this section is appropriate, he shall notify the manufacturer of the boat or associated equipment of such defect or failure to comply, *and shall publish notice of such determination in the Federal Register*. The notice shall contain the findings of the Secretary and shall include a synopsis of the information upon which the findings are based. *Such notification (including such information) shall be available to any interested person, subject to section 14 (b).* If the manufacturer receives notice from the Secretary within the time in which he would be required to make notification under subsection (a), upon receipt of such notice the manufacturer shall furnish the notification described in subsection (c) to the persons designated in subsection (b), unless the manufacturer disputes the Secretary's determination, in which case the Secretary shall afford such manufacturer an opportunity to present his views to establish that there is no failure of compliance or defect relating to safety; *and shall afford other interested persons an opportunity to present data, views, and arguments respecting the determination of the Secretary. . .*

How does the Coast Guard react to the language contained in these two amendments to the Federal Boat Safety Act?

Answer. The Coast Guard does not believe these amendments are necessary to provide for the public to either initiate safety defect investigations or present views and data concerning disputed defects.

The purpose of amendment one is to provide a mechanism by which any person with evidence of a safety defect can petition the Coast Guard to investigate and take action. Under the existing procedures a large percentage of our defect investigations are initiated by consumer complaints providing the facts, evidence, and description of the problem. The information is investigated with the full knowledge of both the consumer (complainant) and the manufacturer. Upon completion of the investigation, both are provided copies of the determination. If it is determined that a safety defect does exist, a defect notification or recall campaign is initiated by the Coast Guard.

Our determinations on safety defects may result from a number of complaints but, a single complaint has resulted in a defect determination and a subsequent recall campaign. The specific language of the amendment would not improve the complainant's ability to communicate with the Coast Guard concerning a possible defect.

The purpose of amendment two is to formalize the "declaration of a safety defect", by the Coast Guard, to give the public the right to investigative information and the opportunity to present views and data in the case of a disputed defect determination. The heart of this amendment appears to be publishing notice of determinations in the Federal Register, making the information used in making a determination available to the public, and allowing interested parties the opportunity to present information with respect to the determination.

Current law (46 U.S.C. 4310 (f)) allows for publication in the Federal Register but, we feel a more appropriate method of notifying the public is through our Boating Safety Circular which reaches 19,000 persons, magazines, newspapers, boating writers, and others interested in boating safety. Typically, this information is reprinted by the boating press which reaches an estimated 20,000,000 additional persons. The Federal Register is not directed to the boating public.

Under current procedures, after an investigation is completed, the information is available to interested parties. Since less than 1/3 of the reported complaints have been declared to be safety defects which "create a substantial risk of personal injury to the public", this procedure is considered reasonable.

Once a determination is made, however, it can be changed if additional information is provided. We feel publishing the results of determinations in the Boating Safety Circular is the best method of notifying the public.

To afford greater public participation earlier in the investigatory process, the law could be amended to require the issuance of a press release whenever we commence an investigation upon receipt of a complaint, or other information, which appears to identify a safety defect. This procedure would allow other interested persons an opportunity to present information for consideration during the investigatory process. The current law (46 U.S.C. 4310(e)) states "The Secretary may publish or otherwise disclose to the public information in the notices or other information the Secretary has that the Secretary considers will assist in carrying out this chapter." We would prefer language similar to that in the National Traffic and Motor Vehicle Safety Act (15 U.S.C. 1418(2)(A)) which states ". . . the Secretary shall disclose to the public so much of any information which is obtained under this chapter and which relates to a defect . . .", prior to initiating the use of press releases.

*Question.* In recent months the issue of vessel safety in the commercial fishing industry has been widely discussed, but solutions have been difficult to devise because of the lack of detail and uniformity in the Coast Guard's search-and-rescue statistics.

What is the Coast Guard doing to work with industry to improve the statistical base relating to fishing vessel safety? Also, please state any ideas you have developed for a voluntary vessel safety program for the fishing industry.

Answer. Safety of the U.S. commercial fishing fleet has long been a concern of the U.S. Coast Guard, and I agree that devising solutions that effectively address the problems in this area is difficult.

However, using the Coast Guard's search-and-rescue (SAR) statistics as a resource in this endeaver limits the options. The SAR statistics provide a limited data base in that they only document those incidents in which we assisted a commercial fishing vessel. These statistics compile Coast Guard directed activity and do not accurately reflect the total incident or the proximate causes for casualties in the fishing fleet. Vessel casualty files maintained by the Office of Merchant Marine Safety are probably the most comprehensive and up-to-date data base that exists containing details on U.S. fishing vessel casualties and their causes. Starting with 1981 casualty data, improvements made to the file provide more details of the casualty and the vessel involved and the causes that led to the casualty.

An examination of U.S. fishing vessel casualties using this file shows that the fishing fleet has the poorest safety record when compared to other categories of U.S. commerical vessels. As a result the Coast Guard is exploring two safety initiatives designed to reduce the number of casualties in the commercial fishing industry. The first initiative would be a voluntary vessel standards program to address the equipment problems that are, in part, a cause of the exceptionally high casualty rate for commercial fishing vessels. The second would be a unique licensing or certification program for commercial fishing vessel operators. This program would address the human factors that cause fishing vessel casualties emphasizing an educational approach rather than a testing program.

As we work with the fishing industry on these initiatives we will be seeking their input for complementary data which will assist us in developing more specific casualty rates.

We believe these initiatives can be valuable boost to fishing vessel safety and will hopefully be supported by the fleet.

*Question.* Some observers contend that the smuggling of marijuana and other drugs by sea has leveled off and even begun to drop in the last few years. Do you agree with this, and do you think such a decrease in smuggling will lead to a shifting of Coast Guard assets from the Caribbean and South Florida?

Answer. The smuggling of marijuana did seem to decrease last year. In CY 82, the Coast Guard seized 174 vessels carrying 3,471,005 pounds of marijuana. In FY 93, we seized 164 vessels carrying 2,314,806 pounds of marijuana. There are three major reasons for this decline:

(1) According to the National Narcotics Intelligence Consumers Committee (NNICC), the 1982 Colombia crop (mostly shipped in 1983) was considerably smaller than the crop produced in earlier years, due primarily to a poor growing season. NNICC estimates that Colombia produced 7,000–8,000 metric tons of marijuana in 1982 (57% of total supply in U.S.), as compared to production estimated at 7,500–11,000 metric tons (79% of total supply in U.S.) in 1981.

(2) The Coast Guard was able to devote more ship and aircraft resource hours to drug interdiction in 1983 than in previous years. In fiscal year 82 the Coast Guard devoted 50,594 high and medium endurance cutter resource hours and 5,950 aircraft resource hours to drug interdiction. In fiscal year 83, these figures increased to 53,031 and 10,315 respectively. Additionally, the coordinating efforts of NNBIS and the assistance of the Department of Defense greatly increased the effectiveness of our efforts. The end results of these quantative and qualitative improvements is a more visible presence and a higher level of deterrence, which we feel is finally discouraging some portion of the maritime smuggling trade from attempting the risky voyage.

(3) Over the past two years, internal enforcement efforts within Colombia have become increasingly effective, removing a higher percentage of the annual crop from the market before it could be shipped to the U.S.

Analysis of the first two quarters of seizure statistics for fiscal year 82, 83, and 84 also indicates that the perceived drop in maritime smuggling may be only a short-term phenomenon:

| FY (Oct–Mar) | VSLS seized | Pounds MJ seized |
|---|---|---|
| 1982 | 109 | 1,898,707 |
| 1983 | 60 | 1,083,068 |
| 1984 | 120 | 1,729,589 |

As these figures indicate, we seem to be returning to higher levels of seizures in 1984.

Based on continuing indicators of high levels of Caribbean drug trafficking for the foreseeable future, we do not contemplate nor advocate a shift of resources away from either the Caribbean or South Florida areas.

### Questions of Senator Stevens and the Answers Thereto

*Question.* I have been told that some of your air stations are presently operating their C–130 aircraft on augmented flying schedules, which in some cases are 50% above the normal annual flight hours rate. Is this correct? Please explain why this is necessary?

Answer. Yes, we use additional operating and maintenance funds to increase the productivity of existing aircraft. We did this to maximize the use of very expensive capital resources, e.g. HC–130 aircraft. Our experience has shown that the concept's validity is critically sensitive to variables independent of funds and personnel. The successful application of the augmented C–130 concept is largely dependent on an individual air station's operational missions and operating environment. Scheduled missions requiring long patrol sorties, such as law enforcement surveillance patrols, facilitate the employment of augmented aircraft. Since the operational situation at Kodiak fits this scenario we have found it more efficient to provide additional flight hours by augmenting two of the existing C-130s.

*Question.* What is your current total requirement for a C-130 Long Range Surveillance (LRS) Fleet?

Answer. With the 3 new C-130's to be procured with a portion of the $300 million transferred from DOD as well as the 6 PILOC's funded in FY 1984 (5 in DOT budget, 1 in DOD transfer) the Coast Guard can maintain 23 aircraft in its LRS fleet which satisfies the current priority mission needs. However, the Coast Guard has identified through its planning process (Aviation Requirements FY 1986-1990) the longer term need for 31 HC-130 aircraft to support an operational fleet of 26 aircraft.

*Question.* At the outset of the PILOC modernization program, the Coast Guard reported that a total of 16 older C-130s require replacement. I understand that through FY84, 11 PILOC replacement C-130s will have been procured. This must mean that you have a requirement for 5 more PILOC C-130s in order to complete the LRS modernization program, is that correct? What is the cost per unit for PILOC.

Answer. Our original analysis of the PILOC modernization program was based upon a Coast Guard C-130 fleet of 25 aircraft, of which 16 older HC-130's were identified as requiring replacement. Several events have subsequently changed the planning for this program.

A summary of the PILOC program to date indicates:

—FY-82 budget reductions decreased the HC-130 fleet by three aircraft, thereby reducing the PILOC requirement from 16 to 13.

—FY-83 transfer of one HC-130H from Air Force increased size of HC-130 fleet by one. The condition of this aircraft is such that it requires PILOC. This increased the number of PILOC HC-130s from 13 to 14.

--Five PILOC replacements approved and funded in each of FY-82 and FY-84 for a total of 10 aircraft.

—One additional PILOC replacement is planned in FY-84, bringing the total to 11 aircraft.

It is correct that completion of the original HC-130 modernization program would require 5 more PILOC HC-130's. However, our fleet has changed size. The manufacturer has indicated that additional PILOC aircraft could not be delivered prior to FY-86. The estimated FY-86 unit cost of a PILOC HC-130 aircraft is $17.8 million.

*Question.* How many new C-130s would be required to bring your C-130 fleet up to the number identified in question #2? What is the cost for new C-130s?

Answer. After delivery of the new and PILOCed C-130s funded through FY 1984, 5 new C-130s and 3 additional PILOC's would be required to bring the LRS fleet to 31. The FY 1985 cost of a new C-130 in Coast Guard configuration is $21.0 million and a PILOC is $17.8 million.

*Question.* The Coast Guard is a multi-mission force with important national defense responsibilities. How much of your FY 1985 capital and operating budget can reasonably be attributed to this mission? Please list these items including the national defense portion of items attributable to more than one mission.

Answer. It is important to note that national defense is but a subset of a larger issue—that of national security. The Coast Guard is charged with a wide diversity of missions which make important contributions to the health, economic as well as social well being of the Nation. Our multi-mission people and equipment work daily in preserving and safeguarding life and property on the high seas, providing for the orderly, safe maritime transit of people, materials and the ships in which they sail in domestic ports and international waters, interdiction of drug and illegal alien traffic, protection of our delicate marine resources and environment—as well as providing for the military defense of the Nation. Virtually every mission and program of the Coast Guard—and thereby its entire capital and operating budgets—make important contributions to our National Security. Within this perspective, the following is a breakout of the readily identifiable National Defense portion of the line items of the Coast Guard's FY 1985 Acquisition, Construction, and Improvements, Operating Expenses and Reserve Training appropriation budget requests:

## FY 1985 MULTI–MISSION/NATIONAL DEFENSE

[In thousands of dollars]

| Title | Multi-Mission | |
|---|---|---|
| | Total request | National defense |
| Operating expenses: | | |
| Termination of one time costs | −2,695 | −121 |
| Annualization of 327-ft WHEC reductions | −4,600 | −652 |
| Annualization of HQ staff reduction | −351 | −16 |
| C–130 aircraft maintenance cost savings | −3,000 | −134 |
| Cutter MMA/FRAM personnel savings | −1,000 | −126 |
| A–76 contracting out | −313 | −14 |
| Support and training allowance | −750 | −34 |
| Motor pool management efficiencies | −400 | −18 |
| National airport hangar closure | −125 | −6 |
| Civilian grade reduction savings | −256 | −11 |
| Retire two 110-ft WYTM tugs | −1,000 | −5 |
| Non-pay cost of living increase | 38,324 | 1,729 |
| Annualization of 1984 part-year funding | 6,348 | 285 |
| Increased cost of ammunition | 1,016 | 305 |
| Annualize FY 1984 supplemental | 6,678 | 210 |
| Flight deck hazardous duty pay | 260 | 1 |
| Annualize FY 1984 pay raise | 13,511 | 607 |
| Commission and operate 270-ft WMECS | 2,053 | 259 |
| Operate 140-ft icebreaking tug | 213 | 6 |
| 378-ft WHEC FARM PRECOM training | 70 | 10 |
| HH–65A follow-on | 6,319 | 27 |
| Multi-mission shore units follow-on | 1,126 | 21 |
| Minor AC&I projects follow-on | 620 | 28 |
| Support center projects follow-on | 825 | 27 |
| RTC Yorktown BOQ/CPOQ follow-on | 276 | 13 |
| Cordova seasonal station follow-on | 77 | 1 |
| Air station cape cod medical follow-on | 208 | 1 |
| TRACEN Petaluma SOQ/CPOQ follow-on | 238 | 11 |
| Minor AC&I UPH upgrade follow-on | 217 | 10 |
| Vessel NAV/COMMS improvement follow-on | 152 | 7 |
| Petaluma classroom building follow-on | 450 | 21 |
| Unaccompanied personnel leased housing | 399 | 18 |
| RTC Yorktown DC/Ord building follow-on | 221 | 10 |
| Maritime intelligence collection | 350 | 16 |
| SUPRTCEN Kodiak personnel deficiency | 180 | 6 |
| Readiness exercise support | 223 | 140 |
| Shore facility maintenance | 100 | 4 |
| Pharmacy officers | 106 | 5 |
| Increase small arms training | 752 | 188 |
| Personnel ID card system | 345 | 16 |
| Data base management system | 350 | 16 |
| MILPAYCEN legal/procedures officer | 39 | 2 |
| ADP program applications development | 114 | 5 |
| Improve voucher payment process | 195 | 9 |
| Military court reporters/legal staff | 100 | 5 |
| Security of ADP Information systems | 250 | 11 |
| A–76 contract administration | 500 | 22 |
| Value engineering program | −89 | −4 |
| Debt reduction | −61 | −3 |
| FY 1985 multi-mission—Defense increase requested | 68,565 | 2,908 |
| Total FY 1985 budget request | 1,759,072 | 78,477 |
| Reserve training: Reserve training multi-mission—defense increase requested | 3,478 | 3,478 |
| Total FY 1985 budget request | 58,833 | 58,833 |

## FY 1985 MULTI-MISSION/NATIONAL DEFENSE

[In thousands of dollars]

| Acquisition, construction and improvements | Multi-mission | |
|---|---|---|
| | Total request | National defense |
| I. Vessels: | | |
| A. Acquire vessels and equipment: | | |
| 1. 270-foot medium endurance cutter (WMEC) procurement | 62,745 | 6,877 |
| 2. 140-foot icebreaking tug (WTGB) procurement | 17,900 | 472 |
| 3. Standard terminals for vessels | 1,850 | 81 |
| B. Repair, renovate, or improve existing vessels and small boats: | | |
| 1. 210-foot medium endurance cutter (WMEC)—Mid life maintenance availability (MMA) | 15,050 | 1,649 |
| 2. 378-foot high endurance cutter (WHEC)—Fleet renovation and modernization (FRAM) | 55,450 | 7,840 |
| 3. Seagoing buoy tenders (WLB) service life extention project (SLEP) | 18,000 | 1,322 |
| 4. New York, NY—Support center—Ferry boat fleet modernization—Coursen and minue | 3,400 | 152 |
| Subtotal, vessels and small boats | 176,795 | 18,393 |
| II. Aircraft: | | |
| A. Acquire new aircraft and increase aviation capability: | | |
| 1. short range recovery (SRR) helicopters (HH-65A) procurement—Escalation and support | 13,280 | 56 |
| 2. Maintain long range search (LRS) capability—Phase III | 33,300 | 205 |
| 3. High Frequency (HF) aircraft radios | 5,000 | 20 |
| Subtotal, aircraft | 51,580 | 281 |
| III. Shore facilities and aids to navigation: | | |
| A. Shore—General: | | |
| 1. Minor AC&I shore construction projects—General | 8,400 | 361 |
| 2. Standard automated accounting system (SAAS) | 5,100 | 223 |
| 3. ADP standard terminal procurement | 900 | 40 |
| 4. VHF-FM shore based direction finding (DF) system | 3,067 | 137 |
| B. Shore—Aviation facilities: | | |
| 1. Houston, TX—Rebuild air station | 7,396 | 140 |
| 2. Port Angeles, WA—Renovate air station | 3,008 | 57 |
| C. Shore—Support centers/yard: | | |
| 1. Kodiak, AK—Support center—Administrative Center | 10,000 | 324 |
| 2. Baltimore, MD—Coast Guard yard—Install close cycle sandblast facility | 1,766 | 88 |
| 3. Boston, MA—Support center—270-foot medium endurance cutter (WMEC) shoreside support | 2,860 | 93 |
| 4. Boston, MA—Support center—Development Phase III | 6,850 | 222 |
| D. Shore—Training facilities: 1. Portsmouth, VA—Command, display, and control (COMDAC) support facility—Phase III | 1,875 | 48 |
| E. Shore—Personnel support activities: | | |
| 1. Public family housing | 15,700 | 690 |
| 2. Minor AC&I shore construction projects—Unaccompanied personnel housing (UPH) upgrade | 933 | 41 |
| 3. Honolulu, HI—Unaccompanied personnel housing (UPH) upgrade | 1,117 | 38 |
| 4. Portsmouth, VA—Support center—Unaccompanied personnel housing (UPH)—Phase I | 8,190 | 265 |
| F. Shore—Groups/bases/stations/MSO: | | |
| 1. Detroit, MI—Renovate station Belle Isle | 2,360 | 44 |
| 2. Detroit, MI—Reconstruct Base | 9,500 | 321 |
| 3. Cape Hatteras, NC—Group support facility | 1,800 | 58 |
| 4. Erie, PA—Rebuild station | 2,853 | 54 |
| Subtotal, shore facilities and aids to navigation | 93,675 | 3,244 |
| IV. Administration and survey and design: | | |
| A. Administration and engineering | 20,000 | 1,216 |
| B. Survey and design of various activities | 6,500 | 396 |
| Subtotal, administration and survey and design | 26,500 | 1,612 |
| Summary AC&I: | | |
| Subtotal, vessels and small boats | 176,795 | 18,393 |
| Subtotal, aircraft | 51,580 | 281 |
| Subtotal, shore facilities and aids to navigation | 93,675 | 3,244 |

FY 1985 MULTI-MISSION/NATIONAL DEFENSE—Continued

[In thousands of dollars]

| Acquisition, construction and improvements | Multi-mission | |
|---|---|---|
| | Total request | National defense |
| Subtotal, administration and survey and design | 26,500 | 1,612 |
| Total FY85 AC&I projects | 348,550 | 23,530 |

## QUESTIONS OF SENATOR GORTON AND THE ANSWERS THERETO

*Question.* What are the principal areas where you think maritime safety can be improved on Puget Sound? What are your current priorities in this regard?

Answer. The Coast Guard feels that maritime safety may best be improved on Puget Sound waters by the continued examination of emergency plans, equipment requirements, law enforcement and penalty procedures, and Puget Sound Vessel Traffic Service operating procedures. Each of these areas is currently under review. We have placed a high priority on continued development and implementation of an effective emergency plan for ferry accidents, and ensuring emergency equipment and safety procedures provide the highest level of safety for ferry passengers. Commander, Thirteenth Coast Guard District is continuing to work closely with the maritime industry and local community in providing the best and most effective safety systems for the area.

*Question.* Is it true that the Coast Guard is investigating the recent near-miss in Seattle harbor between a grainship and ferry HYAK? Have there been any preliminary findings?

Answer. On March 13, 1984 at approximately 5:20 PM in good visibility, the grainship NORMAN SPIRIT and the ferry HYAK were involved in a close quarters situation in Elliott Bay. A Coast Guard Investigating Officer interviewed the operator of the ferry and the pilot of the grainship in the course of conducting an informal investigation. None of the personnel involved indicated that the two vessels were at any time in danger of collision or having a "near-miss". Findings indicate the operator of the ferry, upon leaving his slip, did not take timely action to clearly and definitively indicate to the grainship what his intentions were. Once the actions of the ferry operator were clear to the grainship the two vessels passed at a safe distance. Based on our findings no formal Goast Guard action is warranted.

*Question.* I am aware that you have drafted a contingency plan for ferry accidents in Puget Sound. Who did you consult during its preparation?

Answer. All major public emergency service agencies, including the Coast Guard Reserve and Auxiliary, the state, local and marine police, the county sheriffs departments, and the local Red Cross were consulted.

*Question.* I have been told that the ferry boat captains have never seen the contingency plan. Couldn't they have provided expert advice on the circumstances of a ferry emergency during its preparation?

Answer. Representatives of the ferry boat companies were present at the meetings that were held during the development stages of the contingency plan. The ferry boat captains were offered a chance to provide input at the time the plan was being written, but they all declined.

*Question.* Who did you send the report to when you finished it?

Answer. A total of 48 Federal government agencies received a copy of the contingency plan, including all naval ships and stations, the Corps of Engineers, the 20th NORAD, and the RCC at Victoria, WS. Also, a total of 22 state/local government agencies received a copy of the contingency plan, including every county sheriffs department, the state and local police, and the local Red Cross.

*Question.* Have you ever rehearsed how the contingency plan would work in case of a serious ferry accident? Do you believe it can easily and promptly be implemented?

Answer. The contingency plan has been rehearsed on a number of occasions, and it was promptly and effectively implemented.

*Question.* Is it true that the plan states incorrectly that all Washington state ferries "have numerous lifeboats on board"?

Answer. There are four "lifeboats" on each ferry boat. These "lifeboats" are to be used as rescue boats in case of an accident rather than as "lifeboats". In the event of a ferry accident, another ferry boat would be used as a platform for rescue operations, including using these lifeboats as motor rescue boats. The reference to "numerous lifeboats" will be deleted from the next revision of the contingency plan.

*Question.* It is true that it provides no information on how to reach potential rescue parties by telephone or where medical facilities are located?

Answer. This information is included in all of the other emergency plans that are used in conjunction with the major disaster contingency plan.

*Question.* Would you be willing to review and update the plan with the assistance of all interested parties, including the ferry captains?

We would be more than happy to meet with anyone who would provide beneficial input to the contingency plan.

*Question.* I know that you put ferry crews through emergency drills during your inspections. Do you see merit in *unscheduled* drills?

Answer. There is definitely a place for unscheduled drills in the operation of passenger vessels.

Emergency drills are an extremely important facet of Commercial Vessel Safety. Our Coast Guard inspectors now witness up to four drills a year on Washington State Ferries during periodic inspections. These witnessed drills are supplemented by regulations which require the master to conduct a fire and boat drill at least once a week. (46 CFR 78.17)

These efforts are designed to increase crew familiarity with procedures and equipment to aid in combating a real emergency. Further, the regular exercise is invaluable in identifying any deficiencies in procedure or equipment which might not be functioning properly.

*Question.* I understand that most Washington state ferries have been granted exemptions from certain equipment requirements for large ships. Would fathometers have been helpful in the numerous recent groundings of Washington state ferries?

Answer. The majority of ferry groundings are a result of equipment failures or personnel error. This was the case in the two reported ferry groundings in the last three years. A fathometer is useful in those waters where the bottom configuration is subject to constant change and shoaling. Puget Sound waters rarely change and are similiar to a fjord with deep water almost to the shoreline and then rising rapidly. The carriage of a fathometer would have little if any affect on ferry groundings in Puget Sound.

*Question.* What is the status of the plans for a new type of "inflatable buoyant apparatus" on the ferries?

Answer. The Coast Guard has approved plans for an "inflatable buoyant apparatus" for use on board U.S. passenger vessels, and specifically the Washington State Ferries. These devices are authorized to be carried in addition to the existing required equipment.

It is our understanding that the Washington State Ferry System is in the process of procuring this newly approved lifesaving equipment for installation on their ferries.

The Officer in Charge of Marine Inspection, Seattle, Washington is maintaining liaison with the ferry system in support of their effort to enhance the lifesaving equipment capability on board their vessels.

*Question.* How is it new? What are its characteristics?

Answer. The apparatus is new in that it was developed in line with our concept of buoyant apparatus which was expanded to include "inflatable devices."

Traditionally "buoyant apparatus" have been rigid life floats with a capacity of from 6 to 12 persons. They require large amounts of storage space and some experience to deploy in a timely fashion. The "inflatable apparatus" provides an increased capacity, 45 persons, uses minimum storage space and is designed for easier deployment. The most significantly different characteristic is the fabric floor of the inflatable apparatus which assists in keeping its occupants dry and minimizes hypothermal exposure.

"Inflatable buoyant apparatus" will be approved only for use on inspected vessels certificated for operations on lakes, bays, sounds, and rivers. As a result, the bulky items such as provisions and water will not be stored in them and will not require periodic replacement.

*Question.* How many violations did you record last year for incidents which presented at threat to safety of life and property, such as violations of Rule of the Road?

Answer. Coast Guard record-keeping is not designed to collect this information because the responsibility for acting on such problems is delegated regionally to flag-level district commanders and there has been no foreseeable need to categorize violations for statistical purposes. District commanders have the authority to correct safety problems in a variety of ways, including criminal action, civil penalties, the suspension or revocation of merchant mariners' licenses and seamen's documents, denying a ship's clearance to sail, refusing a ship entry to a United States port, terminating a voyage, and even the seizure of a vessel.

*Question.* In how many of these cases did you terminate or suspend the licenses of the violators?

Answer. In CY83 the Coast Guard suspended 129 merchant mariner licenses and 93 merchant mariner documents and revoked 6 licenses and 16 documents for violations of Coast Guard-enforced statutes and regulations.

*Question.* Do you know how much money was collected last year from Coast Guard-assessed fines? If not, is it because you don't keep track of the actual collection of fines?

Answer. In FT83 the Coast Guard collected $2.6 million in civil penalty assessments.

*Question.* Doesn't the Coast Guard usually levy fines of around $500 when it does assess fines for safety violations?

Answer. No. Some of the statutes that the Coast Guard enforces allow only low maximum penalties, e.g., $100 for a violation of the Anchorage Grounds Act. In other cases, if a violation is of minor gravity and good faith is exhibited by a violator, a penalty of less than $500 may be deemed appropriate; in many cases involving pleasure boaters or independent commercial fishermen, for instance, reasonable deterrence can be accomplished with penalties less than $500. Since the maximum civil penalty levels of status administered by the Coast Guard range from $25,000 per day to $20 per violation, average penalty assessment levels have not been considered meaningful enough to monitor.

*Question.* Is it true that the U.S. Marshal doesn't bother to collect fines that small?

Answer. The Department of Justice has discouraged the referral of claims of less than $600 in its recently promulgated 4 CFR 105.4 amendment to the Federal Claims Collection Standards issued jointly by the Department of Justice and the General Accounting Office. This final rule was recently published in the March 9, 1984 Federal Register.

The CHAIRMAN. Next we are going to take Rear Adm. David M. Altwegg, U.S. Navy, who is the Assistant Deputy Chief of Naval Operations, Surface Warfare.

Admiral, go right ahead. As I told Admiral Gracey and the Secretary, the entire statement will be in the record and you can abbreviate it as you please.

## STATEMENT OF REAR ADM. DAVID M. ALTWEGG, ASSISTANT DEPUTY CHIEF OF NAVAL OPERATIONS FOR SURFACE WARFARE, U.S. NAVY

Admiral ALTWEGG. Thank you, Mr. Chairman. I am pleased to be here this morning representing the Secretary of the Navy to share with you the Department of the Navy's views on its relationship with the U.S. Coast Guard and the Coast Guard's ability to contribute to the national security of the United States.

At the outset, I want to emphasize that the Navy's association with the Coast Guard continues to be outstanding. Each of the specific areas I plan to address will underscore the importance of the Coast Guard role in national security and the cooperation which both services have enjoyed.

The importance of the support the Coast Guard can bring to complement naval operations in both peacetime and wartime is unquestionable. Both services have recognized this importance through the assignment of Coast Guard liaison officers to SECNAV and CNO, as well as various commands throughout the Navy.

In July 1983, the Chief of Naval Operations and the Commandant of the Coast Guard again discussed potential wartime missions for Coast Guard. As a result of their meeting, a joint Navy-

Coast Guard working group was established to further define the wartime mission for the 378-foot heavy endurance cutters and the 270-foot medium endurance cutters. Results of the working group are now under review by both Navy and Coast Guard and a joint Navy-Coast Guard report will be issued in the near future.

A separate study group was established in mid-1983 to investigate requirements for polar icebreakers through the year 2000. Included in the study will be an examination of force levels required in peacetime and wartime, funding for user services, and funding alternatives for replacement ships during the nineties. Inputs have been requested from both fleet commanders in chief to support this study. This study group will also report out in April of this year.

The Navy's appreciation for the Coast Guard's ability to respond and participate in joint operations is typified by Coast Guard's exemplary performance during the entire KAL-007 search and salvage operations, when the Coast Guard Cutter *Munro* provided side scan sonar support to the combined forces of the United States and Japan in the humanitarian effort to locate survivors and wreckage of the ill-fated 747 jumbo jet.

During the initial phases of the Grenada operation, Coast Guard C-130 aircraft and a 378-foot high endurance cutter provided 36 hours of search-and-rescue backup in the vicinity of Grenada. Due to the success of the assault, no actual assistance was required.

On 30 October a squadron of Coast Guard cutters, consisting of four 95-foot patrol boats, three surface effect ships, and a 180-foot oceangoing buoy tender, were deployed and en route to Grenada to augment the naval task force within 10 hours after Navy requested their services. However, the requirement for the cutters was canceled and they were recalled after reaching the operations area.

On December 8, 1983, a Coast Guard cutter squadron, consisting of three 95-foot patrol boats and one 180-foot WLB, commenced surveillance and coastal patrols in and around Grenada. These forces, which have now been reduced to two 95-foot patrol boats, are under the operational control of Commander, U.S. Forces Caribbean.

Additionally, Coast Guard personnel have assisted in training the Caribbean Peace Keeping Force and in maintaining patrol boats. They have also supported the U.S. Embassy on various occasions.

Another example of how Coast Guard assists Navy is in providing international training in maritime skills for foreign countries, particularly the Caribbean, Central America, West Africa, and Southern Asia. The skills of the Coast Guard in these areas are well alined with the skills needed by the navies of those countries in their efforts to protect their coast lines and fishing in coastal waters, to control smuggling, et cetera. Therefore requests from these countries for Coast Guard training assistance are increasing. Navy is working with Coast Guard to explore ways in which to support these requests.

Much has been said about the national defense importance of strategic mobility, especially sealift, since more than 90 percent of vital war-fighting materials must move by sea. The sealift lines of communications start in our Nation's ports.

We are confident that the Coast Guard is ready to insure the safety and security of the ships, cargoes, and facilities involved in any military deployment. I am aware that the Coast Guard has undertaken an extensive planning effort, preparing and testing plans for mobilizations and employment of its skills, capabilities, and statutory authorities to assure port security. Additionally, the Coast Guard, Military Sealift Command, and Military Traffic Management Command have participated in joint exercises such as Reforger and Solid Shield.

In summary, I reiterate that a close working relationship is evident at all levels between Navy and Coast Guard. The semiannual meeting of the Navy-Coast Guard Board, first established in 1980, has been a constructive tool to insure our efforts are united. National security is our common goal and we shall continue to march forward together in pursuit of a constantly improving deterrent and war-fighting posture.

Mr. Chairman, I trust I have been responsive to your desires in my remarks this morning. I am now prepared to answer questions.

The CHAIRMAN. Admiral, thank you very much.

For the record, do you think it would be wise to transfer the Coast Guard to the Navy on a permanent basis?

Admiral ALTWEGG. I do not, sir. As you are aware, there have been recurring legislative initiatives to in fact effect that change. However, I would like to characterize the Navy's peacetime mission as to deter war and, in the event deterrence fails, to have sharpened its war-fighting skills such that we will prevail in any war.

The Coast Guard's mission, on the contrary, tends to be confined to the littoral seas around our country. My concern would be that resources would tend to be allocated to the war-fighting component, rather than those that are typically associated with the Coast Guard, and therefore her mission would suffer.

The CHAIRMAN. Well, I think we are all in accord. If the Navy does not want them transferred and the administration supports that position, and certainly this committee does not want them transferred, the likelihood of them being transferred is slender.

Admiral ALTWEGG. We would continue to support that slender chance.

The CHAIRMAN. Good.

What role does the Navy envision for the Coast Guard in the event of war, and is the Coast Guard adequately equipped to fulfill that role?

Admiral ALTWEGG. One, we feel that the Coast Guard is adequately equipped, but of course in any comment on their capabilities I would defer to the Coast Guard.

We would be concerned in wartime, one, that they would contribute to antisubmarine warfare in the sea lines of communication, particularly in the seas surrounding the United States. As I mentioned in my summary of my statement, we would be interested in the contribution they would make to port security, because again well in excess of strategic materials, the materials to support a war effort would go by sea.

So there is a substantial role to be played by the Coast Guard in the event of hostilities.

The CHAIRMAN. Let me ask you this, Admiral. The President's budget calls for a reduction of more than 750 people, the decommissioning of the cutter *West Wind,* and the start of vessel renovation programs during which the Coast Guard's fleet of available high and medium endurance cutters will be lower than at any time since World War II began.

One, how do these trends compare with the current parallel trends in the Navy? Two, does the Navy have fewer personnel now than it had in 1981? And three, has the Navy been forced to decommission any vessels due to a shortage of operating funds since 1981?

Admiral **ALTWEGG**. First I should say that the Navy, with the unstinting support of the Congress and the American taxpayer, has enjoyed increases in force levels over the past 3 years to meet our global commitments. I further would state that we have also had increases in personnel, albeit our current concern is that in 1984 and in the current budget proposal before the Congress we have not achieved the same measure of support for personnel increases that we have for force levels, and so we are facing a mismatch if that trend is not reversed in this budget.

As far as ships being placed out of commission, yes, we have, as recently as last year, placed several ships out of commission because they were obsolete and would not have contributed, in this modern technological age, to combat. But the overall trend is contrary to what you characterize as the Coast Guard's experiences.

The **CHAIRMAN**. Admiral, thank you. We do not have any more questions. I appreciate you coming this morning.

Admiral **ALTWEGG**. It was a pleasure to have been here, Senator.

The **CHAIRMAN**. Thank you, sir.

[The statement follows:]

### STATEMENT OF REAR ADM. DAVID M. ALTWEGG, ASSISTANT DEPUTY CHIEF OF NAVAL OPERATIONS FOR SURFACE WARFARE, U.S. NAVY

Mr. Chairman and distinguished members of the committee, I am pleased to be here this morning to share with you the Department of the Navy's views on its relationship with the United States Coast Guard and the Coast Guard's ability to contribute to the national security of the United States. At the outset, I want to emphasize that Navy's association with the Coast Guard continues to be outstanding. Each of the specific areas I plan to address will underscore the importance of the Coast Guard role in National Security and the cooperation which both services have enjoyed.

The importance of the support the Coast Guard can bring to complement naval operations in both peacetime and wartime is unquestionable. Both services have recognized this importance through the assignment of Coast Guard liaison officers to SECNAV and CNO as well as various commands throughout the Navy. Let me now outline for you in turn how the Navy supports Coast Guard capability to perform military functions, what missions the Coast Guard would undertake in wartime, and my assessment of the Coast Guard to deploy in combat or combat support roles.

It has long been Navy policy to provide equipment, support, and training to the Coast Guard in order to enhance its wartime value. The Navy's intentions in this regard are best summed up in the total training and funding the Navy has provided to Coast Guard. Annually, approximately 50 Coast Guard cutters participate in joint service fleet exercises and refresher training courses in combat systems, shipboard damage control, and other subjects at Navy Fleet Training Centers; and 20 Coast Guard shore facilities participate in JCS command post exercises and joint field exercise programs. In fiscal year 1980 through 1983 Navy provided $163.8 million in support of Coast Guard military improvements. This fiscal year will see a total of $58.6 million spent by Navy on Coast Guard related equipment, and between fiscal year 1985 and 1989 $361.6 million is programmed for the Coast Guard. This funding support includes acquisition and maintenance support of Navy purchased radars, electronics and weapons systems for Coast Guard use, including acquisition of weapons, electronics and sensor systems for the *Bear* and *Hamilton* class cutters, and the AN/APS-134 radar for installation in Coast Guard HC-130's. The largest share of the increased future support is to fund the Navy's portion of the Coast Guard's Fleet Rehabilitation and Modernization (FRAM) of the 378-foot *Hamilton* class high endurance cutters.

Coast Guard is undertaking a major midlife conversion on their twelve 378-foot *Hamilton* class cutters beginning in fiscal year 1985. In the late 1970's, Navy and Coast Guard began an investigation of the desired configuration based on anticipated wartime roles and missions. The finalized FRAM package consists of more than 90 items. The majority of work is improvement of engineering systems, Coast Guard related capabilities and habitability which are Coast Guard's responsibility. However, we plan to replace the AN/SPS-29 air search radar with the AN/SPS-40 radar and the MK-56 fire control system and 5"/38 gun mount will be replaced with the new MK-92 FCS and 76mm gun. The flight deck will also be upgraded so that the 378-foot WHEC can support LAMPS MK-I helicopter operations. Other equipment procurement includes AN/URN-25 TACAN, AN/SQR-4 and AN/SQR-17 sonobuoy receiving set and passive acoustic analysis systems in addition to helicopter landing control systems (glide slope indicator/visual landing aids). Communications equipment will be upgraded to the NAVMACS A+ satellite transceiver.

Navy has established a Ship Logistics Manager (SLM) to facilitate execution of the FRAM program by ensuring USN procurements/deliveries match the overall schedule milestones. Coast Guard has scheduled ship overhaul start dates and all major equipment will be delivered ahead of schedule, to support FRAM installations.

In the mid-1970's Navy and Coast Guard began defining the requirements for a new class of medium endurance cutters. Navy and Coast Guard jointly developed the military characteristics which included the MK-92 fire control system (FCS), one 76mm gun, AN/SLQ-32 electronic support measure (ESM) threat warning receiver set, off-board Chaff decoy launchers, communications equipment including the AN/WSC-3 satellite transceiver, and a degaussing system. Coast Guard included the sophisticated Command, Display and Control (COMDAC) system and a flight deck to support their peacetime and wartime responsibilities. Two of the thirteen *Bear* class 270-foot WMEC's have been delivered to date.

Navy equipment is being delivered to Coast Guard for installation during ship construction. All major Navy equipment has been delivered either on time or ahead of schedule. Navy has provided support for post-installation system checks and special tool requirements. Navy is also responsible for supply support and 76mm gun ammunition.

In July 1983, the Chief of Naval Operations and the Commandant of the Coast Guard again discussed potential wartime missions for Coast Guard. As a result of their meeting, a joint Navy-Coast Guard Working Group was established to further define the wartime missions for the 378-foot WHEC and 270-foot WMEC. The working group agreed to use the Required Operational Capabilities/Projected Operational Environment (ROC/POE) instruction (OPNAVINST C3501.2F) to describe the ships' missions, environment and specific required capabilities for anti-air, anti-surface, anti-submarine and electronic warfare as well as mobility and support requirements. Results of the working group are now under review by both Navy and Coast Guard and a joint Navy-Coast Guard ROC/POE will be issued in the near future.

A separate study group was established in mid-1983 to investigate requirements for polar icebreakers through the year 2000. Included in the study will be an examination of force levels required in peacetime and wartime, funding for user services and funding alternatives for replacement ships during the 1990s. Inputs have been requested from both Fleet Commanders in Chief to support the study. This study group will report out in April 1984.

The Navy's appreciation for the Coast Guard's ability to respond and participate in joint operations is typified by Coast Guard's exemplary performance during the entire KAL-007 search and salvage operation when the CGC MUNRO provided side scan sonar support to the combined forces of the United States and Japan in the humanitarian effort to locate survivors and wreckage of the ill-fated 747 jumbo jet.

During the initial phases of the Grenada operations, Coast Guard C-130 aircraft and a 378-foot High Endurance Cutter provided 36 hours of search and rescue backup in the vicinity of Grenada. Due to the success of the assault no actual assistance was required.

On 30 October a squadron of Coast Guard cutters, consisting of four 95-foot WPB patrol boats, three surface effect ships (SES), and a 180-foot WLB ocean-going buoy tender, were deployed and enroute to Grenada to augment the Naval Task Force within 10 hours after Navy requested their services; however, the requirement for the cutters was cancelled and they were recalled before reaching the operations area.

On 8 December 1983, a Coast Guard Cutter Squadron consisting of three 95-foot WPBs and one 180-foot WLB commenced surveillance and coastal patrols in and around Grenada. These forces, which now have been reduced to two 95-foot WPB, are under the operational control of Commander, U.S. Forces Caribbean. Additionally, Coast Guard personnel have assisted in training the Caribbean Peace Keeping Forces (CPF) and in maintaining CPF patrol boats. They also have supported the U.S. Embassy on various occasions.

The authority for the Coast Guard to undertake these military operations comes from Title 14 USC 145, which states that the Secretary of the Navy and the Secretary of Transportation may exchange information, personnel, vessels, facilities and equipment and "agree to undertake such assignment and functions for each other" they may agree are necessary and advisable.

In this particular operation, Coast Guard assistance has been of substantial value for three primary reasons. First, the Navy had other operational commitments which became obvious as many of the units operating off Grenada are now still present off Lebanon in the Eastern Mediterranian. Second, the type of operations off Grenada, coastal surveillance and interdiction operations, are particulary well matched to Coast Guard capabilities and experience. Third, Coast Guard ships perform a valuable national political function off Grenada which Navy ships cannot perform since Navy is under the Department of Defense and Coast Guard is not.

Another example of how Coast Guard assists Navy is in providing international training in maritime skills for foreign countries, particularly the Caribbean, Central America, West Africa and Southern Asia. The skills of the Coast Guard in these areas are well aligned with the skills needed by the navies of these countries in their efforts to protect their coastlines and fishing in coastal waters, control smuggling, etc. Therefore, requests from these countries for Coast Guard training assistance are increasing. Navy is working with Coast Guard to explore ways in which to support these requests.

In regard to my assessment of the effectiveness of Navy-Coast Guard cooperation in the performance of drug law enforcement efforts, I am pleased to say that our joint operations appear to be highly successful in helping stem the flow of illicit drugs into the United States. While the Coast Guard, as a uniformed military service with law enforcement authority, is in a better positon to comment on the effectiveness of Navy's involvement in drug interdiction, my understanding is that about 14 percent of the total marijuana seized the Coast Guard in FY 1983 involved the use of Navy ships, either as interdiction platforms under tactical control of the Coast Guard or to escort/tow seized vessels. The towing or escorting of seized vessels allowed the Coast Guard units involved to continue their regular patrol duties without interruption. Navy and Marine Corps aircraft also made a significant contribution to the drug interdiction effort by flying over 3,000 hours of air and surface surveillance support in conjunction with normal training and operational missions. As a matter of routine, contracts of interest generated from these flights were passed to the National Narcotics Border Interdiction System. (NNBIS) regional centers for further prosecution by Coast Guard and Customs assets. Again, Coast Guard and Customs would have to be queried as to the actual effectiveness of our air contribution. We are aware of at least eleven actions in the South Florida area alone which resulted from information provided by our aircrews. Each request for Navy assistance is given consideration and every effort made to accommodate the requesting agency. Of interest, the Navy and Coast Guard are conducting a joint test in April and June of this year along the Mississippi Gulf Coast utilizing the Navy's PHM hydrofoil ships for drug interdiction. Although we have already enjoyed considerable success in drug interdiction by operating the PHMs in South Florida, accounting for the seizure of approximately 40,000 pounds of marijuana in 1983, we hope to learn more about their capability to operate in the Gulf. Since drug interdiction operations closely parallel the primary mission of the PHM's, protection of sea lines of communication and anti-surface operations, the crews receive valuable training during these periods. It also offers the opportunity to cross-train the embarked Coast Guard law enforcement detachment in Navy procedures.

Another example of our increasing peacetime cooperation is the 120 buoy tender ship days per year that the Coast Guard provides for detailed bottom surveys of strategic port breakout routes.

The Coast Guard's responsibilities for port security are derived principally from the Espionage Act of 1917, the Magnuson Act of 1950 and Executive Order 10173. These responsibilities transfer with the Coast Guard to the Department of the Navy and in fact are a very significant element of the Coast Guard's contribution to national defense.

Much has been said in recent years about the national defense importance of strategic mobility, especially sealift, since more than 90 percent of vital warfighting materials must move by sea.

The sealift lines of communications start in our nation's ports. We are confident that the Coast Guard is ready to ensure the safety and security of the ships, cargoes and facilities involved in any military deployment. I am aware that the Coast Guard has undertaken an extensive planning effort, preparing and testing plans for mobilization and employment of its skills, capabilities and statutory authorities to assure port security. Additionally, the Coast Guard, Military Sealift Command and Military Traffic Management Command have participated in joint exercises such as Reforger and Solid Shield.

As a result of the 1982 Navy and Coast Guard (NAVGARD) Board sponsored Maritime Defense Zone Study, the CNO and Commandant have agreed that the Coast Guard Atlantic and Pacific Area Commanders should be assigned as Maritime Defense Zone Commanders, responsible to the Fleet Commanders in Chief for planning, coordinating and conducting U.S. coastal defense. The assumption of these responsibilities is expected to occur sometime after the assignment of a small planning and implementation staff of Navy and Coast Guard officers this summer.

These planners will develop, publish and maintain Coast and Harbor Defense Contingency Plans, test them through exercises in peacetime and serve as the battle staffs for their commanders should the plans ever be implemented.

The Department of Transportation/Department of Navy Memorandum of Agreement authorizing the assignment of the peacetime planning function to the Coast Guard Area Commanders should be signed soon.

I feel that this is a real success story and an indication of the close and vital relationship between our services in peacetime and an appropriate plan for the wartime employment of the Coast Guard's existing command and control network, platform capability and littoral sea operations experience.

In summary, I reiterate that a close working relationship is evident at all levels between Navy and Coast Guard. The semi-annual meeting of the Navy-Coast Guard Board, first established in 1980, has been a constructive tool to ensure our efforts are united. National security is our common goal and we shall continue to march forward together in pursuit of a constantly improving deterrent and warfighting posture. Mr. Chairman, I trust I have been responsive to your desires in my remarks this morning. I am not prepared to address any questions you might have for me.

The CHAIRMAN. Next let us take Mr. Kenneth Sheehan and Mr. John Borum, representing the American Bureau of Shipping.

Good morning, gentlemen.

## STATEMENT OF KENNETH E. SHEEHAN, VICE PRESIDENT AND COUNSEL, AMERICAN BUREAU OF SHIPPING, ACCOMPANIED BY JOHN BORUM, VICE PRESIDENT, OPERATIONS DIVISION, ABS

Mr. SHEEHAN. Good morning, Mr. Chairman.

My name is Kenneth Sheehan, vice president and counsel of American Bureau of Shipping. With me is John Borum, vice president in our operations division. We have submitted a detailed statement giving the background on the operations, functions, and organization of ABS, and we thank the committee for this opportunity to appear here this morning.

For purposes of our oral statement, we wish to highlight three specific areas: One, the organization and financial operations of ABS; two, what is being done by ABS to insure that older vessels receive the attention that they warrant as they age; and three, the interrelationship between the Coast Guard and ABS.

ABS was formed by special act of the New York Legislature in 1862 as a nonprofit membership organization. ABS has no capital stock, collects no dues, and no part of its revenue is distributed among its members.

ABS is entirely supported by the fees charged to those who request classification services and not by the general public or taxpayers. Any excess of income over expenses in any one year is used to extend and improve services and for research and development into matters of maritime safety.

ABS is recognized as being exempt from Federal income taxes under section 501(c)(6) of the Internal Revenue Code. We are also recognized by statute as an agency of the U.S. Government so long as we have no stock and pay no dividends.

ABS has been directed to and has with honor accepted two members of the U.S. Government on our executive committee. Since we are an organization divorced from the profit motive, we have maintained independence, integrity, and impartiality in setting standards and enforcing adherence to our rules.

John Borum will now briefly discuss inspection of older vessels and interaction with the Coast Guard.

The Chairman. Mr. Borum.

Mr. Borum. Mr. Chairman, the ABS rules for building and classing steel vessels require annual surveys of every vessel, and more detailed periodic surveys at other designated times to insure that the vessel remains in quality condition and is fit to remain in class. These survey requirements become increasingly stringent as the vessel ages.

ABS has issued circulars of instruction to its surveyors covering the survey of older vessels. These circulars emphasize that particular care should be taken with older vessels and specify areas of the ship which are particularly susceptible to wear, tear, and corrosion.

ABS also requires the surveyor in charge, or in his absence can equally experienced surveyor, to personally attend the special surveys of older vessels during periods of crucial examinations and gagings and to sign the survey report.

Over the years, ABS has developed a clear interrelationship with the Coast Guard. To reduce duplication of effort, the Coast Guard has delegated a number of its duties to ABS.

ABS is now authorized to perform a broad range of technical reviews on behalf of the Coast Guard on those U.S.-flag vessels being classed with ABS and requiring Coast Guard certification. In addition, we now carry on certain surveys and calculations traditionally performed by Coast Guard personnel or by both Coast Guard personnel and ABS surveyors.

The cooperation between the Coast Guard and ABS has been governed in the last decade by several agreements and memoranda of understanding which have been executed by both parties. A stated goal of these memoranda is that the ABS and the Coast Guard will continue to review areas for future cooperation. In this connection, the American Bureau of Shipping stands ready to assume and expand on any services that the Coast Guard must curtail as a result of budgetary constraints.

This concludes our statement and we will be pleased to answer any questions.

The Chairman. What success do you have in getting older vessels that are clearly failing your inspection standards repaired and retired?

Mr. **Borum**. The decision when to retire a vessel is an economic decision by the owner. ABS cannot order a vessel to be scrapped.

The **Chairman**. No, I understand that. You do not have any enforcement powers in the normal sense. But what kind of success do you have, when you clearly find a vessel is unsatisfactory? Now, at that stage, what happens?

Mr. **Borum**. We have very excellent success, sir, in that the stringent requirements of repair are either met or the classification of the vessel is in jeopardy and it is suspended after——

The **Chairman**. Now, when its classification is in jeopardy what happens? They cannot get insurance?

Mr. **Borum**. The insurance underwriters will withdraw the cargo insurance; underwriters withdraw the ability to carry cargo.

The **Chairman**. If you cannot get insurance, nobody is going to charter you at all.

Mr. **Borum**. That is correct.

The **Chairman**. Well then, you have a very effective enforcement mechanism.

Mr. **Borum**. It is not a legal enforcement which is a legal enforcement.

The **Chairman**. I was going to say, most law enforcement agencies wish they had that kind of success.

Let me congratulate you on the long record that you have had. You perform an extraordinary service and, as you very clearly indicated, Mr. Sheehan, at no cost to the public or anybody else except the parties involved. And it is a classic example of private enterprise taking care of its own properly, without the request or compulsion from the government, and doing it very successfully, and I just want the record to show how proud I am of you.

Mr. **Sheehan**. Thank you, Mr. Chairman.

The **Chairman**. Fellows, good to have you here. Thank you.

Mr. **Sheehan**. Thank you.

[The statement follows:]

## Statement of the American Bureau of Shipping

### Introduction

The American Bureau of Shipping (ABS) establishes and administers standards, known as Rules, for the plan review, construction, and periodic survey of merchant ships and other marine structures (herein collectively referred to as "vessels"). Classification certifies adherence to these Rules, thus representing that a vessel possesses the structural and mechanical integrity required for its intended service. A classed vessel is one that provides for the safety of lives and cargoes that the vessel may carry, as well as for the environment in which it may operate. Enclosed is a publication entitled "Classification, Promoting the Security of Life and Property on the Seas" which explains in detail the functions and process of classification.

ABS has long been involved with marine safety through fulfilling its chartered purpose of promoting the security of life and property at sea. In furtherance of its mission, ABS has been privileged to act for and on behalf of the Coast Guard and many foreign governments with respect to assuring both the structural and mechanical integrity of U.S. and foreign vessels which elect to have ABS classification.

### FINANCIAL OPERATIONS

The American Bureau of Shipping is a not-for-profit organization. It has no capital stock, no part of its income is distributed among its Members, and no ABS Member or Committee Member, who participates in the work of the ABS technical committees, special committees, or panels, receives compensation for his service. The American Bureau of Shipping is entirely supported by the fees charged to shipyards, shipowners and others who request classification services. Any excess of income over expenses in any one year is used to extend and improve services and for research and development.

### RULES

The *Rules for Building and Classing Steel Vessels* ("Steel Rules"), the basic ABS standard, describes in detail modern engineering practices for the design and construction of commercial vessels. The Rules are established from principles of naval architecture, marine engineering and other engineering disciplines that have been proven satisfactory by service experience and by systematic analysis. Each edition is an embodiment of service experience and technological advancements developed since the first edition was issued in 1890.

The "Steel Rules" are updated annually through a committee structure. American Bureau of Shipping committees are composed of individuals from industry and government, eminent in their marine fields, who serve without compensation. These committees permit ABS to maintain close contact with interests in various geographical regions and with various technological and scientific disciplines. The committee arrangement has the distinct advantage of allowing the Government and all segments of the industry to participate in developing the various Rules, thereby making them authoritative, impartial, and thus widely recognized and respected.

Besides the "Steel Rules" ABS publishes other specialized volumes such as *Rules for Building and Classing Offshore Mobile Drilling Units, Aluminum Vessels, Vessels Under 200 Feet in Length, Great Lakes Bulk Carriers* and *Single Point Moorings,* to name just a few.

### THE RECORD

In addition to establishing and administering Rules, another function of ABS, as stated in its Constitution and By-Laws, has been to keep a "faithful and accurate Classification and Registry of mercantile shipping." In fulfillment of this obligation the first edition of this registry was published in 1869 and was called the *Record of American and Foreign Shipping,* a title which for the sake of convenience has since been shortened to the *Record.* Through the years the *Record* has grown both in importance and size and today the 1984 *Record* gives the pertinent characteristics and information on some 47,898 merchant vessels, virtually all of the merchant vessels in the free world.

### MANAGEMENT

Understanding the ABS committee structure is necessary to the understanding that American Bureau of Shipping is a self-regulatory agency representing the maritime community. The maritime community, through the committees of the American Bureau of Shipping, decides upon the appropriateness and effectiveness of the "Rules." Industry experience and expertise are then translated into design, construction and survey standards through the agency of ABS. Moreover, the fact that the American Bureau of Shipping is an impartial representative of the maritime community is underscored by the fact that management responsibilities are vested in a Board of Managers, 61 in number, elected from some 492 Members of ABS. The Members, and thus the Board of Managers, are composed of marine underwriters, shipowners, shipbuilders, government representatives, naval architects, marine engineers and other persons who are prominent in their marine field of endeavor. Of the Board of Managers, two Members are designated by the United States Secretary of Transportation. These members are the Maritime Adminstrator and the Commandant of the United States Coast Guard.

### OPERATIONS

The ABS personnel who perform the numerous daily activities related to the classification of vessels are collectively called surveyors. They are actually naval architects, marine engineers, metallurgists, computer specialists, individuals with experience as seagoing engineers, and others with technical skills applicable to ship classification. Surveyors are generally known as either technical surveyors or field surveyors, depending upon their duties. These can best be described through an explanation of the classification procedure.

## CLASSIFICAITON PROCEDURE

Classification is a four-step procedure involving technical plan review, surveys during construction, approval by Classification Committee, and subsequent periodic surveys.

When an owner first requests that his vessel be classed with ABS, the plans are submitted to the ABS technical staff for a systematic and detailed review by its Technical Surveyors as to compliance with the Rules. To conduct such studies, ABS employs naval architects and marine engineers who scrutinize the vessel's hull and machinery plans to verify that the details conform in all respects to the requirements set forth in the published ABS "Rules."

After a vessel's plans have been approved by the ABS technical staff, the next phase of classification begins—the construction of the vessel under the vigilance of the ABS Field Surveyor. Field Surveyors conduct continuous surveys of a vessel from "keel laying" to delivery to assure adherance to the "Rules" and to certify that the approved plans are followed. During the construction of a vessel built to ABS classification, Field Surveyors witness the tests of materials for hull and machinery items at the place of manufacture or fabrication and survey the building of the hull, machinery, boilers and vital auxiliaries.

Having conducted a continous survey of the owner's vessel from the time of "keel laying" until completion, the Field Surveyor then attends the sea trials to assure that the vessel in a good working order and capable of performing in accordance with its plans. Upon successful completion of sea trials the vessel's "credentials" are presented to the ABS Classification Committee. The members of this Committee (authorities from the maritime industry, U.S. Coast Guard, and ABS Officers) use their collective experience and recommendations, from the ABS staff to perform a final assessment of a vessel presented for classification. If they are satisfied that the vessel complies with the "Rules" in all respects, the Committee grants the vessel offical ABS classification saying, in essence, that the vessel adheres to all the plan and construction requirements of the American Bureau of Shipping and, therefore, is fit to perform its intended service with security to life and property at sea.

To insure that the vessel is maintained in proper condition, ABS conducts periodic surveys after the vessel is put into service. These periodic surveys are a necessary condition for retaining classification status. If it is found that the requirements of the ABS "Rules" are not met, the Field Surveyor will require appropriate repairs in order to satisfy those requirements. By meeting the requirements of the periodic survey the vessel continues to be "in class."

## SURVEY STATUS SYSTEM

ABS has been quick to use computer technology to the advantage of the marine industry. Computer programs assist in design analysis and hull structural evaluation. As an outgrowth of its chartered purpose of collection and dissemination information on marine subjects, ABS has implemented a computerized Survey Status System. The System permits rapid access to survey particulars on any ABS-classed vessel. As of 1 March 1984, 41 ABS offices were equipped for direct access to the central computer file in New York with three more offices in the process of being put on line. ABS has also made this program available to shipowners, thus permitting those who subscribe to have direct access to records of surveys performed and required for their vessels.

## STATISTICS

As of 1 January 1984, there were 15,422 vessels totalling 185,938,698 deadweight tons under ABS classification. Of these 15,422 vessels, 8,471 are U.S. flag. In addition, at that time, there were 1,402 vessels totalling 12,001,340 deadweight tons contracted to be built or being built to ABS classification. Of these 1,402 vessels, 340 vessels of 933,000 deadweight tons are being built or are to be built in the United States.

## STAFF

ABS employs 311 exclusive technical surveyors and 602 exclusive field surveyors who are located in 141 exclusive offices around the world. In addition, ABS has 89 non-exclusive offices. ABS is represented in a total of 97 countries.

In the United States, ABS has 164 field surveyors and 215 technical surveyors stationed in 43 locations. Furthermore, at the headquarters office in New York, there are 54 ocean engineering and research engineers, 38 specialists in computer science, 23 specialists in materials and manufacturing in addition to 204 exclusive technical and field surveyors.

### FOREIGN GOVERNMENT RECOGNITION

Numerous foreign governments have delegated duties to ABS in recognition of its expertise in marine construction and repair. In fact, many other major maritime powers do not have government agencies similar to the United States Coast Guard, but instead rely on one of the major classification societies to act as their representative. The Republic of Liberia has actually designated ABS as an agent for the purpose of surveying Liberian flag vessels for compliance with the International Convention on Loadlines, 1966; the International Convention on the Safety of Life at Sea, 1960; Liberian Tonnage Regulations; and various I.M.O. Codes and Resolutions.

In this regard, it is significant to note that from a review of records available to ABS, it is apparent that the safety record of Liberian flag vessels which are classed by ABS is equal to or superior to the safety record of U.S. flag vessels. The Liberian Government, in statistics soon to be published, indicates that its delegation to classification societies of the verification of the ship's structure, machinery and equipment is working well. The number of bad surveys found have been minimal in comparison with those done, less than two in a thousand. In addition to Liberia, 83 foreign governments authorize ABS to issue Load Line certificates, 58 foreign governments authorize ABS for Tonnage Admeasurement and 59 foreign governments authorize ABS to issue either wholly or in part Safety of Life at Sea (SOLAS) certificates.

### PARTICIPATION IN NATIONAL AND INTERNATIONAL ORGANIZATIONS

As part of its commitment to marine safety, ABS shares its experience and technical information with organizations and government groups involved in the development and promulgation of national and international standards and regulations. At the expense of ABS, members of the staff participate in the deliberations of 194 committees, panels and subcommittees of organizations outside ABS, and make available to these organizations the professional resources of ABS. These organizations range from international agencies to highly specialized technical and scientific groups. At times ABS staff members have served as experts for the United States delegations to international organizations, such as the International Institute of Welding, the Ship Structures Committee and the Intergovernmental Maritime Organization. As part of its participation in non-governmental international activities, ABS currently chairs the International Association of Classification Societies.

### SHIP STRUCTURES COMMITTEE

As an agency of the U.S. government, ABS is a member of the Ship Structures Committee (SSC) along with the U.S. Coast Guard, the Naval Sea Systems Command, the Military Sealift Command, the Maritime Administration and the Minerals Management Service (formerly U.S. Geological Survey). ABS contributes approximately 15 percent of the budget of SSC. The purpose of the SSC is to conduct research which will improve the design, materials and construction of hull structure of ships and ultimately improve the safe operation of ships. Members of SSC exchange information on technical matters, and provide the funding for its research programs. When the research is complete, each member agency draws on its considerable marine experience to evaluate the results in terms of ship structural design, construction and operation.

### RECOGNITION BY THE U.S. GOVERNMENT

The unique attributes of ABS and its considerable contributions to a strong and safe U.S. merchant marine were recognized by the U.S. Congress as long ago as 1920. In the Merchant Marine Act of 1920, Congress directed all departments, boards, bureaus, and commissions of the United States Government to recognize ABS as their agency so long as the organization of ABS remained unchanged.

This longstanding recognition of the special attributes of ABS was recently reaffirmed by the Congress in its efforts to recodify parts of the U.S. Maritime Law. Title 46, Section 3316 of the U.S. Code, which was passed into law in August 1983, continues congressional recognition of ABS as an agency fo the U.S. government. Sub-paragraph (b) provides:

"Each department, agency, and instrumentality of the United States Government shall recognize the Bureau as its agent in classifying vessels owed by the Government and in matters related to classification, as long as the Bureau is maintained as an organziation having no captial stock and paying no dividends. The Secretary and the Secretary of Transportation each shall appoint one representative (except when the Secretary is the Secretary of Transportation, in which case the Secretary shall appoint both representatives) who shall represent the Government on the executive committee of the Bureau. The Bureau shall agree that the representatives shall be accepted by it as active members of the committee. The representatives shall serve without compensation, except for necessary traveling expenses."

Further Congressional confidence in ABS is demonstrated by the provision authorizing the Secretary of Commerce (Commandant of Coast Guard) to delegate inspection activity of U.S. flag vessels to ABS. Title 46, Section 3316, Sub-paragraph (c)(1) provides:

"To the maximum extent practicable, the Secretary may delegate to the Bureau or a similar United States classification society, or an agent of the Bureau or society, the inspection or examination, in the United States or in a foreign country, of a vessel documented or to be documented as a vessel of the United States. The Bureau, society, or agent may issue the certificate of inspection required by this part (46 USCS Sections 3101 et seq.) and other certificates essential to documentation."

The Secretary is also authorized to rely on the reports and certificates of ABS. Title 46, Section 3316, Sub-paragraph (a) provides:

"(a) In carrying out this part (46 USC Sections 3101 et seq.), the Secretary may rely on reports, documents, and certificates issued by the American Bureau of Shipping or a similar United States classification society, or an agent of the Bureau or society."

Furthermore, Congress has specifically authorized the Secretary to enter into agreements for cooperation with American Bureau of Shipping. Title 46, Section 3316(d) provides:

"The Secretary also may make an agreement with or use the Bureau or a similar United States classification society, or an agent of the Bureau or society, for reviewing and approving plans required for issuing a certificate of inspection."

With respect to load line regulations, Congress has promulgated a clear directive:

". . . The Secretary of Commerce (Commandant of the Coast Guard) or Commissioner of Customs shall appoint the American Bureau of Shipping, or such other American corporation or association for the survey or registry of shipping as may be selected by him, to determine whether the position and manner of marking on such vessels the load line or lines so established are in accordance with the provisions of (Section 88-88i) . . ." (46 U.S.C. 88b)

In connection with certain aspects of the International Convention for the Safety of Life at Sea, 1960, ABS has been recognized as an agent of the U.S. Government, for example, with respect to mobile offshore drilling units:

". . The American Bureau of Shipping or the Coast Guard may issue a self-propelled unit of at least 500 gross tons that engages on international voyages a Safety Construction Certificate if the unit meets the requirements (in Regulation 12(a)(ii) Chapter I of SOLAS 1960) . . ." (46 C.F.R. 107.409)

ABS has been recognized in the Code of Federal Regulations as the agent of the Government charged with the responsibility of setting standards for construction and testing of marine material, machinery and equipment. 46 C.F.R. Section 188.35-1 states that:

"(a) Where in this subchapter an item, or method of construction, or testing is required to meet the standards established by the American Bureau of Shipping, the current standards in effect at the time of construction of the vessel, or otherwise as applicable, shall be used."

This definition of the standards established by ABS covers a substantial amount of Part 189 of 46 C.F.R.—Inspection and Certification. For example, 46 C.F.R. 189.15-1 provides:

"(a) In the inspection of hulls, boilers, and machinery of vessels, the standards established by the American Bureau of Shipping . . . respecting material and construction of hulls, boilers and machinery and the certificate of classification referring thereto . . . shall be accepted as standard by the inspectors."

Subpart 189.55-1 provides:

"(b) In the following list of required plans . . . the items which must be approved by the American Bureau of Shipping for vessels classed by that organization are indicated by an asterisk. When prints bearing record of such approval by the American Bureau of Shipping are forwarded to the Coast Guard they will in general be accepted as satisfactory . . ."

In practice, approval by ABS usually results in approval by the Coast Guard.

Subpart 189.60.5 provides:

"(a) All vessels on an international voyage are required to have a Cargo Ship Safety Construction Certificate. This certificate shall be issued by the U.S. Coast Guard or the American Bureau of Shipping . . ."

The ABS structural standards for offshore mobile drilling units have been recognized in the Code of Federal Regulations:

". . . Each unit must meet the structural standards of the American Bureau of Shipping's Rules for Building and Classing Offshore Mobile Drilling Units, 1978 (or standards of another society approved by the Commandant of the Coast Guard) . . . (46 C.F.R. 108.113)"

Furthermore, in the Merchant Marine Act of 1936, Congress made compliance with the ABS Rules a prerequisite for obtaining a government-insured ship mortgage. Recognizing the close relationship with the United States Coast Guard, Congress went on to require such compliance in conjunction with Coast Guard requirements:

Obligations guaranteed under this title—

"(6) shall provide . . . that if the vessel used as security for the guarantee of the Secretary is a deliverd vessel, the vessel shall be in class A-1, American Bureau of Shipping, or shall meet such other standards as may be acceptable to the Secretary with all required certificates, including but not limited to, marine inspection certificates of the United States Coast Guard, with all outstanding requirements and recommendations necessary for retention of class accomplished . . . (46 U.S.C. 1274(b)(6))"

## INTERRELATIONSHIP WITH THE COAST GUARD

Marine safety requires that vessels be structurally and mechanically sound, adequately manned and equipped, and operated in a proper manner. By providing the services of plan review, factory inspection, construction surveys and surveys of vessel maintenance, ABS assures the structural and mechanical soundness of ABS-classed vessels. This assurance as to the soundness of a marine vessel built to and maintained in ABS classification has led over the years to a clear interrelationship and partial interdependence between ABS and the United States Coast Guard, thereby allowing the Coast Guard to concentrate its attention and resources on the manning, equipping and operating functions of marine safety.

ABS has a long-standing and good working relationship with the United States Coast Guard. The Commandant of the Coast Guard serves as a member of the ABS Board of Managers. In addition, a number of people from the Coast Guard participate in the ABS Technical Committees which have the responsibility of developing and modifying the various ABS Rules.

To reduce duplication of effort, ABS has been authorized by the Coast Guard to perform a broad range of technical reviews on U.S. flag vessels being classed with ABS and requiring Coast Guard certification. ABS will conduct authorized reviews and surveys for compliance with Coast Guard regulations concurrently with our review for classification. Plans submitted for such technical reviews are submitted only to ABS. ABS takes all review and approval action for compliance with Coast Guard regulations and ABS Rules. Duplicate submittals to, and review by, the Coast Guard are not required.

Similarly, certain surveys and inspections traditionally performed only by Coast Guard personnel, or by both Coast Guard personnel and ABS surveyors may now be carried out solely by ABS surveyors. Such surveys satisfy both ABS and Coast Guard requirements and duplicate surveys by Coast Guard personnel are not required.

In order to handle this increased work delegated by the Coast Guard, ABS has pursued a vigorous hiring program. This program was pursued even in the face of contracting revenues and in the face of forecasts, which have now largely come true, that shipbuilding during the period from 1978 through 1984 would decline.

Just to illustrate the increase in our staff as a result of the duties expected to be delegated by the Coast Guard: In 1979, ABS had a total field staff of 514, including 37 Americans stationed abroad. At the end of 1983, the total field staff had increased by 88 surveyors to 602 representing an increase of 17.12 percent. The number of Americans stationed abroad had increased by 26 to 63 representing an increase of 70.3 percent. Our technical, engineering and metallurgical staff and materials specialists also expanded by 115 members, from 273 technical surveyors, engineers and metallurigical and materials specialists in 1979 to 388 at the end of 1983, an increase of 42.12 percent. The New York technical staff alone increased 43.5 percent. To date, however, due to the downturn in the shipping industry, we have not enjoyed any appreciable increase in the workload for Coast Guard related surveys.

The cooperation between the Coast Guard and ABS has been governed by several Agreements and Memoranda of Understanding which have been executed during the last decade. Under our first Memorandum of Understanding with the Coast Guard, executed on 9 June 1981, ABS completed the technical review of plans and inspection of 430 vessels. Another 69 vessels are pending completion of construction or under contract. Under our second Memorandum of Understanding with the Coast Guard, executed on 27 April 1982, ABS completed the technical review of plans and inspection of 101 vessels. Another 108 vessels are pending completion of construction or under contract.

As an example, a copy of the Memorandum of Understanding dated 9 June 1981 is attached as Appendix I. The Memorandum of 9 June 1981 is particularly significant since it states the long term common objective of ABS and the Coast Guard to "review areas for future cooperation, types of liaison, methods to communicate difficulties which may arise, and provisions for future amendments to the Agreement."

In this connection, ABS is ready to perform such other functions within its capabilities as the Coast Guard may choose to delegate while still maintaining its overall authority. Because of the nature of its charter and organization, however, ABS cannot extend this cooperation into areas of activity which will involve it in matters pertaining to investigations, manning of vessels, or similar non-technical activities of the Coast Guard.

ABS is pleased with the progress made to date in implementing the various cooperation Agreements it has entered with the Coast Guard. We feel that the problems associated with any new approach will be resolved as both parties gain more experience operating under their Agreements and Memoranda of Understanding.

## SURVEYS OF OLDER VESSELS

We understand that the Committee, in light of concerns recently expressed in the media, wishes to focus particular attention on inspections of older vessels.

At the outset, it should be noted that the ABS "Rules" require periodic surveys at designated times throughout the life of the vessel to assure that it is in quality condition. During a periodic survey, various prescribed machinery parts and structural sections are examined. These periodic surveys include among others, an Annual Survey, an Intermediate Survey which is conducted every 2 years, and Special Surveys. The first Special Periodical Survey is due four years after the date of build. Subsequent Special Periodical Surveys are due every four years after the previous Special Survey. In order to harmonize the Special Survey requirements with the five year periodical inspection requirements under the International Loadline Convention, an extensive Year of Grace Survey is often performed at the end of the four year period in order to extend the time of completion for the Special Survey to five years.

As the vessel ages, the survey requirements at each Special Survey become increasingly stringent. Structural gaugings of the vessel are taken at Special Surveys in order to verify that wastage of steel has not exceeded specified limits. Structural gaugings may be taken at other times as well if the attending surveyor considers an area suspect. In addition, the extent of steel gauged increases as the vessel becomes older.

As evidence of its concern that older ships receive the attention they need as they age, ABS has issued Circulars of Instruction to all its field surveyors regarding the surveys of older vessels. These Circular outline requirements for surveying older vessels and identify those areas of the ship that are particularly susceptible to wear and tear and corrosion. These areas include, among others, hatch coamings, hatch covers, weather decks and fittings and ballast tanks. These Circulars require the surveyor to carefully determine the extent of steel wastage and witness gaugings in areas that are considered suspect. If wastage is determined to be excessive, the surveyor will require immediate remedial action. The Circulars emphasize the necessity for taking extra care when surveying older vessels. ABS requires the surveyor-in-charge, or in his absence an equally experienced surveyor, to personally attend the Special Surveys of older vessels during the period of critical examinations and gaugings and to sign the survey report.

ABS has also closely cooperated with the United States Coast Guard and the National Transportation Safety Board in several investigations of casualties suffered by older vessels. During these investigations, ABS provided witnesses, records and evaluations of testing procedures for the benefit of the Marine Board of Investigation. ABS has responded positively to any recommendations made by the National Transportation Safety Board as a result of its investigations.

For example, the National Transportation Safety Board recently recommended that structural gaugings be required more frequently for vessels over 20 years of age; that steel hatch covers be gauged; and that hatch covers be examined annually for conditions of local and general wastage. In response to these recommendations, ABS has issued several Circulars of Instruction.

In one of these Circulars, ABS recommends that for vessels over 20 years of age structural gaugings be considered at each drydocking interval, (every 30 months under the present ABS Rules). Thus, the interval between structural gaugings for vessels over 20 years will be shortened from every 4 years to every 30 months.

In another of these Circulars, surveyors are requested to carry out gaugings of hatch covers at each Special Survey whenever there is an indication of serious general wastage. This Circular also emphasizes that localized wastage and holding be satisfactorily dealt with as found.

The third Circular in this group addresses the National Transportation Safety Board's recommendation that hatch covers be examined annually for steel wastage. At each Annual Survey the surveyor will make a visual examination of the tops and bottoms of hatch covers for wastage. The surveyors are also instructed to individually report on this item in their Annual Survey reports. Furthermore, if either general or local wastage of hatch covers is visually found during the Annual Survey, a confirmation of such wastage by gaugings is required.

ABS believes these steps will increase the comprehensiveness of inspections of older vessels. We wish to point out, however, that ABS does not make a decision as to when and whether a vessel should be retired. The decision to scrap a vessel is an economic decision of the owner. As the stringency of ABS requirements for older vessels increases, however, the owner may elect to retire the vessel rather than perform the extensive examinations and repairs required by ABS.

Furthermore, ABS must rely on the owner to present his vessel for survey at the designated times specified in the ABS Rules and whenever the vessel has been damaged in a way that would affect classification. If an owner fails to make repairs to the satisfaction of the attending surveyor, then ABS may suspend or cancel classification. ABS, does not, however, have the direct power to stop a vessel from sailing when needed repairs have not been made. This law enforcement duty rightfully remains with the United States Coast Guard.

## RECOGNITION OF NOT-FOR-PROFIT ORGANIZATIONS

The primary recognition of American Bureau of Shipping as an agency of the U.S. Government flows from Title 46, Section 3316(b) of the United States Code which limits that recognition only:

". . . as long as the Bureau is maintained as an organization having no capital stock and paying no dividends. . ."

The long-standing policy of appointing not-for-profit organizations to receive delegations of authority under various enabling legislation has among its foundations, the reasons to:

"(a) Eliminate the profit motive and thereby increase integrity in what should be the performance of independent functions;

"(b) Enhance the credibility and integrity of U.S. certification and render it consistent with the practice of foreign governments;

"(c) Not delegate what is essentially a governmental function to commercial profit oriented organizations;

"(d) Avoid the possibility that manufacturers or other interested parties might qualify to certify their own products or designs; and

"(e) Permit any surplus of fees charged over expenses incurred to be used for research and development related to the protection of life and property at sea."

In order for American Bureau of Shipping as a not-for-profit, tax exempt organization to carry out its objective of protection of life and property at sea, it must obey limitations placed on similar tax-exempt organizations by the United States Internal Revenue Code.

The tax exemption of ABS, first granted in 1919, was granted by the Internal Revenue Service pursuant to Section 501(c)(6) as a "business league . . . not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual." Regulation Section 1.501(c)(6)—1 provides.

"A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and *not to engage in a regular business of a kind ordinarily carried on for profit. . . . An organization* *whose purpose is to engage in a regular business of a kind ordinarily carried on for profit* even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, *is not a business league.*" (Emphasis supplied)

In order to maintain its tax exempt status, ABS cannot participate in "a regular business of a kind ordinarily carried on for profit." By including profit making organizations as delegatees of Coast Guard functions and other inspection functions, Congress might place ABS and similar tax-exempt organizations in the position of participating alongside a profit making organization which could jeopardize their tax exempt status under Section 501(c)(6) of the Code.

### CONCLUSION

American Bureau of Shipping has historically been involved with that portion of the U.S. Coast Guard's Marine Safety Program which deals with the structural and mechanical integrity of vessels. The activities of ABS are also directed to supporting the Coast Guard in assuring that the highest engineering standards are maintained in plan review, construction and maintenance of ships and other marine structures thereby resulting in never safer vessel structures. ABS is available and stands ready to continue to provide the necessary services related to the classification and inspection of marine vessels and structures as may be delegated by the Coast Guard and to assume and expand on any services which the Coast Guard must curtail as a result of budgetary constraints.

The **Chairman**. Next we will take C. Deming Cowles, who is representing the United Fishermen of Alaska.

Good morning.

## STATEMENT OF C. DEMING COWLES, WASHINGTON COUNSEL FOR THE UNITED FISHERMEN OF ALASKA

Mr. **Cowles**. Good morning, sir.

The **Chairman**. I will indicate to you, the same as I have to the others, I will put your entire statement in the record and you can abbreviate it accordingly and emphasize the main points you want to make.

Mr. **Cowles**. I will try to be brief and answer any questions you have.

The **Chairman**. Thank you.

Mr. **Cowles**. My name is Deming Cowles and I am here today as Washington counsel for the United Fishermen of Alaska.

UFA appreciates the opportunity to testify on behalf of the Coast Guard authorization for 1985 and 1986. For your information, UFA is the largest single amalgamation of fishermen in Alaska, with 20 local fishermen's associations, primarily catchers and marketers, and with some 1,500 individual permit holders and crew.

We have great respect for the Coast Guard, which provides search and rescue, environmental protection, and enforcement of the Magnuson Act in the Alaska Fisheries Conservation Zone, all essential activities to the livelihood of Alaskan fishermen and the protection of the fisheries resource that meets the needs of the national and international markets.

Concerning search and rescue, the Coast Guard last year had some 1,127 calls in Alaska, saved 335 lives, and otherwise assisted some 1,700 people. Ninty-three lives were lost in Alaskan waters last year and over 60 of them were Alaskan fishermen. The Coast Guard's goal for response time is 45 minutes. Currently they average 4 hours. Every effort should be made to help reduce this time—for example, providing better equipment to help locate vessels and more equipment to reach the site quicker.

Concerning enforcement against violations by foreign fishing vessels, increased boardings are in order. The Guard has recently been boarding some 66 percent of the foreign vessels in the Alaska FCZ. Last year 16 percent of the boardings resulted in citations. Previous years' efforts resulted in violations in excess of 30 percent of the boardings. Maybe that is not a statistically adequate sampling yet, but it appears that consistent Coast Guard presence is proving successful in enforcing the Conservation Act.

The Alaska coastline constitutes over half the total U.S. coastline. The Alaska coastline provides 95 percent of the fish caught by foreigners in the U.S. FCZ. Immense amounts of salmon, halibut and other species are caught by fishermen from California, Oregon, Washington, and Alaska. Greater emphasis is placed on developing so-called underdeveloped species by American fishermen. The coastline is also looked on with greater intensity as a likely source of future oil and gas.

To meet increased activity in the Alaska FCZ, UFA believes that the Coast Guard should be given additional resources to do the additional response—meet the additional responsibilities they are consistently given. There should be additional acquisition money to provide cutter, helicopter, and C–130 coverage in Alaskan waters, as well as adequate expenses to cover both additional personnel and added costs of operating equipment stationed in Alaska. The future additions to the fleet should be of the medium range endurance variety, so that they can accommodate helicopters.

We are not asking the Coast Guard to reduce its drug interdiction efforts in the waters off the lower 48 States in order to increase enforcement capability in the area of foreign fishing violations in the Alaska FCZ. Both are vital functions. But one should not be disadvantaged at the hands of the other.

We also request having all C–130's and helicopter aircraft in Alaska outfitted with the FLAR equipment—the forward-looking radar—for search and rescue and enforcement purposes, and we believe that a research and development project ought to be funded this year to develop an electronic sensing package that could be incorporated with FLAR to provide hard-copy photography and other benefits of an AIREYE system for enforcement purposes, in order to help prove better enforcement cases.

We also request that plans that are currently under way to locate an air station and base at the Dutch Harbor area of Alaska be expedited and that adequate funds be provided to the Coast Guard to assure prompt construction in the Dutch Harbor area.

In the area of environmental response, the Coast Guard should be adequately funded for appropriate studies and demonstration projects so that investigations into cleanup in broken ice conditions can be coordinated with other Federal and Alaska agencies. In a recent spill in broken ice conditions, the Coast Guard found that there was little or nothing they could do with current procedures and equipment. This is obviously important to oil and gas activities in the Alaska OCS.

Finally, we would request that the fisheries loan fund proceeds should be used for fisheries development-related activities, as originally intended, and not distributed to other Federal agencies to replace general program funding.

I would like to make a few additions and corrections to the testimony that I submitted, and I would also like to acknowledge the assistance of my associate from Juneau, Mr. Glenn Akins, who helped in the preparation of the testimony.

The CHAIRMAN. Let me ask you one specific question. You stated that foreign fishermen commit substantial violations of the fishery laws in the FCZ. Can you describe the nature and extent of some of those violations?

Mr. COWLES. I spent a little time with the North Pacific Council in Anchorage last week in preparation for testimony, and they have a document that I would like to submit for the record, indicating the number of vessels that are involved in joint ventures and in directed fisheries. I can give you some specific examples.

What the council is primarily concerned about are the major violations. While we find 16 percent of the boardings resulted in violations, those are not all major. But the types of activities that are being found are failure to log properly underlogging, interfering with NMFS observers on vessels, as the NMFS observers have tried to do the various functions they have to perform; recent seizures of Japanese cargo vessels, resulting in issuing reports of violations for improper transfer logs; a wide variety of failures to either note that they have captured species that are prohibited and not released promptly or to have logged properly the sizes and the amounts of catch—things that are very important to the American fishermen. We would like to keep them honest so that our people can have their fair share as well.

Of course, the goal of American fishermen is to try to expand their operations in the FCZ so that they can take over more and more of the fishing from the foreign fishermen, and that is something that the Alaskan fishermen are very interested in. But we know that is true with Oregon and Washington as well.

The CHAIRMAN. As you say, that is not limited to Alaska.

Mr. COWLES. That is not limited to Alaska.

I would like to submit this to the record,[1] because it does indicate the numbers and types of Japanese, Korean, Russian, Taiwanese, Spanish, and West German vessels that are both involved in joint ventures and directed fisheries.

The CHAIRMAN. I appreciate it and I will hold the record open for 2 weeks so that you can get it to me.

[The statement and material referred to follows:]

## STATEMENT OF THE UNITED FISHERMEN OF ALASKA, JUNEAU, ALASKA

I am D. Deming Cowles, Washington Counsel for the United Fishermen of Alaska (UFA). My office is at 1050 Thomas Jefferson Street, N.W., Sixth Floor, Washington, D.C. 20007. The UFA's main offices are located at 319 Seward Street, Suite 208, Juneau, Alaska 99801-1188. UFA is a private, non-profit, statewide organization for local fishermen's associations, permit holders and crew members, consisting of some 1,500 individual members, and 20 member organizations. UFA has been active on specific national fishing legislation since its creation in 1972 and has recently expanded its efforts on the national level to increase public awareness of the importance of commercial fishing to the nation. Today it is our privilege to provide a few words during these Coast Guard authorization hearings on the national importance of the Coast Guard to commercial fishing operations in Alaska.

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[1] The submissions have been retained in the committee files.

At the outset, the Committee should be aware that Alaskans in general, and Alaskan fishermen in particular, hold the Coast Guard in very high regard. Alaskans depend on the Coast Guard for search and rescue, oil spill clean-up, marking of hazards to navigation, ice breaking and enforcement of fisheries regulation in the gargantuan 200 mile Alaska Fisheries Conservation Zone. The Coast Guard acts many times as the fisherman's lifeline, and in some instances its lifesaver. They do an admirable job in every way. UFA is here today to express its continuing support for the Coast Guard's efforts to meet its responsibilities so vital to our fishermen, and to support additional funding for essential Coast Guard operations in Alaska. In short, we need the Coast Guard to be able to do more.

Some facts will put the Alaska fisheries in economic perspective. On any given week, depending on the fisheries season, there are likely to be some 300-400 foreign vessels fishing in Alaskan waters. A total of 554 foreign vessels gathered 1.3 million metric tons from the Alaska FCZ last year. 95 percent of fish caught by foreigners in the United States FCZ are caught in the Alaska FCZ. As well, there are 625 Alaskan and other domestic vessels fishing and tendering fish. In Alaska, there are some 195 domestic processing vessels and shore-based facilities preparing fish and products for market. The value of the Alaska fishery at the wholesale market is some $1.5 billion. Some 29,000 shore workers from Alaska, Washington, Oregon and the rest of the nation, are employed in processing facilities in Alaska. Some 15,000 domestic fishermen earn their living from the Alaska fisheries. It is a big and important business to Alaska and the nation as a whole.

### SEARCH AND RESCUE

The most important function performed by the Coast Guard in Alaska is search and rescue. It is difficult to name a more hazardous occupation than commercial fishing in the waters off Alaska, unless it is the effort of the Coast Guard to rescue fishermen from a disabled or sinking vessel. Fishermen are subjected to some of the fiercest, most unpredicatable weather and seas in the world; "safe harbors" are not easily and rapidly found when storms come up, as they do so frequently and unexpectedly. Ports are few and far between. The Coast Guard, with its complement of 2,066 men, 12 vessels, and 16 planes and helicopters must attempt response to fishermen's needs along a coastline greater in size than the coastline surrounding the entire lower 48.

Primary Coast Guard rescue efforts in western Alaska are out of the Kodiak Station on Kodiak Island. The goal for response is 45 minutes; the actual response by helicopter is more in the four hour range, with delays due to weather and distance reaching 24 hours at times for cutter assistance. For example, the enormous fishing grounds in the Bering Sea area are some 450-500 miles from the Kodiak Station. It should be added here that efforts to expand bottom or under-developed fisheries will be centered in part in the Bering Sea, ultimately creating a great deal more vessel activity. As well, certain proposed oil and gas activities (which UFA regards with some substantial concern, particularly highly valuable fisheries areas such as Bristol Bay) would, if authorized by the federal government, be centered here as well.

Within 100 miles of Dutch Harbor, Alaska, in the Bering Sea, there were 8 major vessel casualties with the loss of 22 lives in 1982 alone. Within 200 miles of Dutch Harbor, there were an additional 20 life-threatening incidents. Again, the nearest Coast Guard station is several hundred miles away.

Overall, in Alaska, in the recent years of 1981-83, some 363 lives have been lost with approximately 100 fishing vessels sunk. Sixty percent of lives lost were commercial fishermen. The "good news" comes in the number of lives saved—713—and the number of persons otherwise assisted—5,626—through the prodigious efforts of the Coast Guard. A graphic representation follows:

COAST GUARD SEARCH AND RESCUE STATISTICS FOR ALASKA, 1981–83 (VESSEL CASES ONLY)

| Year | Search and rescue calls | Lives lost | Lives saved | Persons otherwise assisted | Property lost | Property assisted | Fishing vessels lost |
|---|---|---|---|---|---|---|---|
| 1981 | 1,141 | 148 | 190 | 1,926 | $16,500,000 | $35,000,000 | 39 |
| 1982 | 1,127 | 122 | 189 | 1,992 | 32,000,000 | 101,000,000 | 39 |
| 1983 | 1,127 | 93 | 334 | 1,708 | 16,600,000 | 67,000,000 | |

The difficulties in search and rescue operations in the Gulf of Alaska are perhaps best understood by looking at case histories of rescue operations performed in 1983:

On August 4, 1983 the 30-foot F/V *Four D* was disabled by bad fuel, was adrift and taking on water 80 miles from Yakutat in the Gulf of Alaska. Although located by a Coast Guard HC-130, cutter assistance was over 24 hours away. A nearby ARCO drill rig, *Ocean Odyssey,* launched a rig tender, which saved the *Four D* and very likely, the lives of the crew. This was one of three incidents last year when ARCO personnel and equipment were instrumental in saving lives at sea.

On 25 August 1983, a helicopter was launched from *Ocean Odyssey* to save the crew of the fishing boat *Paula Diane* from their liferaft. The Coast Guard helicopter dispatched from Sitka required over two hours in route.

When the Tug *Eagle* capsized off Yakutat, one surviving crew member spent 2.5 hours in the water (in an exposure suit) awaiting the arrival of the Coast Guard H-3 helicopter from Sitka.

With increased activities in the Alaska FCZ for an expanding number of species, it is certain that there will be a greater need for Coast Guard manpower and equipment for search and rescue operations. That does not even speak to the question of increased general shipping activities and the possibility of increased activity due to any approved oil and gas leasing exploration and development.

UFA would like to make one additional point concerning search and rescue operations. The importance of Coast Guard, and other agency, training and technical assistance with regard to vessel and crew safety cannot be overemphasized. Without proper procedures established for emergency situations and without the ready availability of equipment such as exposure suits, even the most effective and speedy response would be thwarted.

## ENFORCEMENT

The certainty of increased need for Coast Guard manpower and equipment applies equally in the area of enforcement of fisheries regulation as greater emphasis and pressure are placed on the Alaska FCZ. As well, we can gain markedly in employment of more sophisticated sensory equipment to assure closer adherence to conservation laws.

Testimony before this Committee in March of 1982 indicated an increase in violations found on foreign fishing vessels boarded in 1981 over 1980. As the number of boardings on foreign vessels increased in 1982 and 1983, the number of violations found decreased. Still, in 1983, the Coast Guard discovered that of 370 foreign vessels boarded (66% of the foreign fleet), 16 percent were in violation of fisheries regulations. To UFA, that clearly means increased emphasis on enforcement is in order. Currently, the Coast Guard goal is to board each vessel in the FCZ once every three months. Six to eight hours are required to complete thorough inspections, including inspection of the hold, checking frozen blocks and species composition, and review of logs.

Currently, the major shortfall in enforcement UFA is aware of with regard to adequacy of cutter support is in the capability to launch helicopters at sea. High and medium endurance cutters assigned to Alaska have facilities to launch the short-range H-52 helicopters. This obviously provides expanded coverage in fisheries enforcement. Two Coast Guard vessels assigned to Alaska do not have this capability, however. They are the converted ocean tug, *Yacona,* and the medium-endurance vessel, *Storis.* With expanded activity in the Alaska FCZ, it would make sense to have all cutters capable of providing the greatest amount of support to enforcement against violation by foreign fishing vessels.

Increased use of aircraft goes hand in hand with cutter activity in protecting our FCZ from conservation violations by foreign vessels. Obviously, substantial portions of the FCZ can be covered quicker and more frequently by C130 and helicopter, the mere presence of which can serve as a deterrent to illegal activities. For enforcement and safety purposes, more sophisticated sensory equipment needs to be incorporated in all aircraft on fisheries patrol in Alaska. It is UFA's understanding that the Coast Guard budget provides for installation in at least some C130's this next fiscal year. This "FLAR", or forward-looking radar, will enable more accurate detection of vessels and people, and can be fitted on helicopters as well.

A major drawback of the FLAR system is its inability to produce an image on a television screen or in hardcopy. Such a capability does exist with the "SLAR" or side-looking radar system. What seems necessary is a means of incorporating an "AIREYE"-type system (as presently is installed in Coast Guard jets) in the C130's. That would enable C130's to obtain television or hard copy pictures of vessels, gear, vessel name and the like to provide documentation of permit violations. It would also be helpful in keeping track of the problems our fishermen are increasingly faced with in regard to entanglement with monofilament and other gear left on the high seas or in our waters by foreign operators. Expanded air coverage through increased C130 flights equiped with "AIREYE-type systems would be an enormous complement to the NMFS observer program in beefing up efforts at surveillance and enforcement.

Southeast Alaska fishermen send a special note of thanks to the Coast Guard for their recent enforcement efforts against Canadian vessels in Alaskan waters near Ketchikan. The Canadians have been charged with fishing over the boundary line, processing their catch while anchored in Alaskan waters at night and fishing their way out from their anchorage the next day.

### TRANSFER OF FUNDS FROM FISHERIES LOAN FUND

The Administration budget proposes to divide the proceeds of the Fisheries Loan Fund at the end of the fiscal year, with $45,000,000 allocated to the Coast Guard. UFA opposes such a move. American fishermen are at a substantial competitive disadvantage with foreign fishermen whose governments provide deep and heavy subsidies for every phase of fisheries development and operation. Those incentives initially established to provide some assistance to American fishermen by allowing for loans to finance needed capital should not be dispensed with in order to provide needed assistance to the public at large. This is particularly so in light of increasing Congressional recognition that surgically designed incentives are clearly in order to promote American fisheries.

### RECOMMENDATIONS

1. The Coast Guard should be provided additional financial resources to increase search and rescue and surveillance activities for enforcement to accommodate increased activities in the Alaska FCZ.

"a. The Coast Guard should be provided additional acquistion money to provide adequate cutter, helicopter and C130 coverage in Alaskan waters as well as adequate expenses to cover costs of operating equipment stationed in Alaska. We are not asking the Coast Guard to reduce its drug interdiction efforts in the waters off the lower 48 in order to increase its enforcement capability in the area of foreign fishing violations in the Alaska FCZ. Both are vital functions; one should not be disadvantaged at the hands of the other.

"b All C130 and helicopter aircraft in Alaska should be outfitted with "FLAR" equipment for search and rescue and enforcement purposes. A research and development project should be funded in fiscal 1985 to develop an electronic sensor package that could be incorporated with FLAR to provide hard copy photography and other benefits of an "AIREYE"-type system for enforcement purposes.

"c. Increases in Coast Guard personnel budget should be made to reflect increased activities in water off Alaska, and the provision of additional aircraft and cutters. On a specific case, UFA supports the efforts of Congressman Young and Senator Stevens to assure there are no personnel cuts (uniformed or civilian) for the important Kodiak facility.

"d. The Coast Guard should seriously consider whether the permanent assignment of 2 medium range jets to Sitka would assist in search and rescue and enforcement activities in the Alaska FCZ. These planes are outfitted with the SLAR system of detection. The speed and maneuverability of these jets would seem to provide a strong complement to the Coast Guard's commitment to the C130's in Alaska."

2. The Coast Guard should be encouraged to step up plans for locating a facility in the Bering Sea area, to provide additional and more timely response to search and rescue requests, and more expanded coverage for enforcement of fisheries laws. Plans to locate an air station/base at Dutch Harbor capable of receiving C130's are on the drawing board now. Such plans calls for hangers, three H-3 helicopters, additional officers and enlisted men and adequate housing and other support facilities. The Coast Guard should be adequately funded to expedite the planning approval and construction processes.

3. In the area of environmental response, the Coast Guard should be adequately funded for appropriate studies and demonstration projects, so that investigations into clean-up in broken ice conditions in Alaska can be coordinated with other federal and Alaska agencies. In a recent vessel spill in broken ice conditions, the Coast Guard found there was little or nothing they could do with current procedures and equipment.

4. The Fisheries Loan Fund proceeds should be used for fisheries development-related activities as originally intended, and not distributed to other federal agencies to replace general program funding.

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C. Deming Cowles,
*Washington, D.C., April 4, 1984.*

Hon. Robert Packwood,
*Chairman, Senate Committee on Commerce, Science, and Transportation*
*Washington, D.C.*

Dear Senator Packwood: It was a distinct privilege to testify before you today on behalf of the United Fisherman of Alaska concerning the Coast Guard Authorization Act of 1985 and 1986. The Coast Guard does a fine job in Alaska with limited resources, and UFA was pleased to support additional funding for improved search and rescue operations, for greater enforcement of the Magnuson Act with regard to foreign vessels invovled in the fisheries in the Alaska Fishery Conservation Zone, and for greater ability to respond to oil spills in broken ice conditions.

You held the hearing record open to receive additional materials and our revised testimony. Enclosed for inclusion in the record is an outstanding article from the *Boston Globe* of March 4, 1984, delineating some problems with which the Coast Guard is faced in its search and rescue operations in the treacherous Bering Sea off Alaska. As well, I have included the materials I mentioned were provided by the North Pacific Management Council concerning numbers of foreign applications for joint ventures and direct fisheries, and a brief description of the more serious violations found during vessel boarding for enforcement of the Magnuson Act. While the Coast Guard would like to board each foreign vessle once every 90 days, it is able to board only 66 percent of the foreign vessels operating in the FCZ. Therefore, the Coast Guard is unable to board every foreign vessel *once a year,* as it is currently manned and equipped. Last, I have enclosed a finally-edited copy of my written testimony

Again, UFA appreciates the chance to testify today, and would be pleased to be of further assistance it can to you and your committee.

Best regards,

Sincerely,
C. Deming Cowles.

Enclosure

[From the Boston Globe, Mar. 4, 1984]

## TO THE RESCUE OFF THE ALEUTIANS

[By Andrew Perala]

Valentine's Day, 1984, dawned sunny and calm in the south Bering Seas near Amukta Pass in the western Aleutian Islands. The crew of the US Coast Guard Cutter *Mellon* looked forward to a third consecutive day of rare good weather, perfect for tracking and boarding selected vessels from the hundreds of foreign fishing trawlers in the area.

But within hours, the crew would be involved in a frantic dash to the scene of a tragic collision between two Japanese vessels. In which 16 lives were lost and eight survivors rescued from the frigid, stormy sea.

In the rich grounds within 200 miles of the Alaska coast, deep-sea trawlers and longliners will be allowed to catch 2.6 million tons of fish in 1984. Of the quarter-billion dollar catch, foreign fishing vessels will account for 85 percent, a proportion that declines each year as American fisherman increase their fleet size and marketing abilities.

The Coast Guard and the National Marine Fisheries Service enforce fishing regulations and quotations among the foreign vessels inside the US 200-mile fisheries conservation zone. The cutters cruising Alaskan waters in annual two-month patrols attempt to board each foreign vessel once every 90 days, but in the stormy, broad expanse off the Aleutians, most vessels get boarded only once a year.

About 9:40 a.m. on Feb. 14, the Mellon had pulled alongside a Japanese trawler when the radio picked up a Mayday. "MAYDAY, MAYDAY, this is the Anyo Maru No. 15, the Kyowa Maru No. 11 has just sunk." The two vessels had just been in collison.

While the Mellon crew scrambled to chart the location and the time the cutter would need to get there, some junior officers wondering if the call could have been a ruse designed to stop the boarding of the 168-ft. medium stern trawler off the Mellon's starboard beam. Foreign fishing vessels are typically equipped with more sophisticated electronic gear—satellite navigation systems, video plotters, thermal water charters—than the Coast Guard and keep close tabs on all Coast Guard activity.

### "CALL CAN'T BE RUSE"

"The Mayday call can't be a ruse," said Cmdr. Jim MacDonald to a reporter on the Mellon's bridge seconds after the distress call. "With the tremendous distances out here, you don't cry 'wolf' very often."

Chief engineering officer Lt. Cmdr. Jeff Hill sprinted to the engine room to begin the 30-minute countdown needed to ignite the twin 18,000-horsepower jet turbines. Lt. Gary Jacobsen roused his crew to ready the 20-year-old Sikorski rescue helicopter.

"Our turbine speed will be 25 knots, we have 98 miles to go, if they have unprotected people in the water as we suspect that all spells dead," said Cmdr. MacDonald.

A quavering voice spoke on the radio tuned to the Anyo Maru frequently. "Coast Guard, Coast Guard, this is the Anyo Maru," said Paul Debruyn, a National Marine Fisheries Service observer recently assigned to the ship. "There are eight people saved, some with a low pulse and breathing. Sixteen people are still in the water. None are wearing survival suits." The water temperature was 39 degrees; without protection, the human body quickly loses heat. People either drown or their heart stops after only a few minutes in the water.

Very few of the foreign fishing vessels off Alaska carry the bulky foam survival suits that have saved the lives of people who floated for as long as three days in Arctic waters.

### 15-FOOT SWELLS

The sun disappeared behind clouds a half-hour after the Mellon's turbines came to full power. Seas built rapidly to 15 feet and the wind gusts to 35 knots. The 378-foot Mellon plowed through the tops of the waves at 24 knots. The front third of the ship burst completely free of the water on every other wave. Crashing into the next whitecapped swell, the steel hull boomed and shuddered like a gigantic metal drum. Dishes crashed and broke in the galleys: the crew clung to handrails in the hallways and on the bridge.

The helicopter took off from the severely pitching deck and soon afterward ran into 50-mile per hour headwinds.

"The ceiling was down to 100 feet by the time we got to the site," said Jacobsen later. "We spent 15 minutes searching and found three other ships but not the Anyo Maru. When we finally found her, we hovered near her for about 10 minutes. Her bow was heaving completely out of the water. You could see the scars on the bow from the collision but we couldn't see any bodies in the water. With conditions like they were, there was no way we could risk hurting the medic by lowering him to the deck of the Anyo." Low on fuel, the copter returned to the Mellon.

American observer DeBruyn, one of four aboard the Anyo Maru, later told of reaching the bridge after the collision. The Kyowa Maru was 150 yards off the port beam, listing heavily. The Anyo Maru had punched a nine-foot-diameter hole below the waterline in the Kyowa's engine room. The stricken Kyowa lost power and steering almost immediately and the ship began to turn in random circles in the 25-foot seas.

The crew of the Kyowa Maru emerged on deck. Dressed in tennis shoes and summer rubber boots, lightweight shirts, pants and life preservers, the 24 men lined the port rail as the boat was sinking.

### "WAS STARK FEAR"

"I saw their faces through our ship's window," said DeBruyn. "It was stark fear. I've never seen it before, I never want to see it again."

The Anyo Maru, which escaped serious damage in the collision, pulled alongside the foundering Kyowa. Two of the Kyowa crewmen leaped to the 12-foot-long ship's bumper fastened to the side of the Anyo Maru, narrowly escaping being crushed by the hulls.

Thirty-five minutes after the collision, the stern of the Kyowa Maru sank in 8,000 feet of water.

As the Kyowa sank, the remaining crewmen jumped into the water. Some chased futilely after the life rafts that the wind blew beyond their reach. The rest waved their arms madly. A few of the Anyo Maru crewmen jumped into the water with ropes tied around their waists and managed to quickly pull in a few crewmen.

DeBruyn continued to report to the Mellon. Four other ships had found bodies. Only the Anyo Maru had survivors. Two men were missing, never to be found.

### IN WATER 10 MINUTES

All eight of the rescued on board the Anyo Maru had been pulled from the the water within 10 minutes of the sinking. "The two guys we pulled out who died onboard had been in the water about 20 minutes," said fisheries observer Harrison. "Without survival suits, that's all it took."

The Fukui Maru No. 18, another medium Japanese stern trawler, was one of the fishing vessels that came to the aid of the Kyowa's crew. Toshinari Abe, the Fukui Maru fishmaster and the eldest brother of the Kyowa fishmaster, Eibun Abe, arrived on the scene a half-hour after the Kyowa Maru sank.

"We picked up five bodies," said Abe later through an interpreter. "They were . . . dead, completely cold. But we gave them CPR anyway." The crewmen on the Fukui Maru labored for six hours on cardiopulmonary resuscitation efforts until the bodies stiffended from rigor mortis.

"The weather was so bad, the waves so high," said the Kyowa Maru's Eibun Abe later, "that the waves looked like boats and the boats looked like waves on the radar. We didn't see the Anyo Maru until it was too late."

When the cutter Mellon arrived at the scene three and one-half hours after the Kyowa Maru had sunk, the swells had settled to six feet, the sun had broken through the overcast, and 16 men were dead.

The CHAIRMAN. We will conclude today with a panel: Mr. Al Simon, executive secretary of the National Boating Federation; Mr. Richard Schwartz, the president of Boat Owners Association of the United States; and Mr. Robert Stickell, the president of Washington Marina, representing the Marine Retailers Association of America.

Mr. Schwartz did not show. Gentlemen, you go right ahead.

## STATEMENT OF AL SIMON, EXECUTIVE SECRETARY, NATIONAL BOATING FEDERATION

Mr. SIMON. Mr. Chairman, my name is Al Simon. I am the executive secretary of the National Boating Federation, a national nonprofit organization.

NBF was founded in 1966 to provide a medium by which the recreational boaters of this country can express their opinion to the Government on proposed laws and regulations affecting boating. Today our organization is authorized to speak for more than 2,000 boat and yacht clubs in virtually every State of the Union. These clubs are made up of more than 2 million boaters.

It is important that you know that NBF is not part of the boating industry. We do not sell any products or service.

The CHAIRMAN. You do not what?

Mr. SIMON. We do not sell any products or service.

We do not have any salaried employees. Everything we do depends upon the volunteer efforts of amateur boatowners who are dedicated to improving the quality of recreational boating.

It is fitting that we testify on that provision of the Coast Guard Authorization Act of 1984 which would add a new section to the Federal Boat Safety Act of 1971 against the sale of any recreational boat, boat part, or boat-associated equipment having a safety defect which creates a substantial risk of personal injury to the public. One of the reasons the NBF exists is to educate boating enthusiasts in all matters relating to boating safety, including standards for safe boat design and construction.

For many years, I was privileged to serve as a liaison between the NBF and the Coast Guard and industry as a public sector member of the National Boat Safety Advisory Council. One of the principal functions of the Council is to advise the Coast Guard on manufacturing safety standards.

In order to testify intelligently on the new safety defects language proposed by the Coast Guard authorization bill, we decided we had to look into what was behind it in the first place. Frankly, there was insufficient time to make a proper assessment for commentary on the House side at the February 23 House Coast Guard and Navigation Subcommittee hearing.

From what we have learned since then, we think there has been a basic misunderstanding and confusion, with the result that the present safety defects language in the Coast Guard authorization bill is an overreaction to the perceived need for modifying the defect program. It is our understanding that what the Coast Guard is after is language which will enable them to deal with dealers and distributors who ignore defect notifications from their manufacturers, fail to have the safety defects corrected, and sell boats or associated equipment knowing they contain a certain safety defect.

Instead of a new section 4302, as proposed by H.R. 4841, what is actually needed here are amendments like the Senate version of the Coast Guard authorization bill proposes to sections 4307 and 4311, with the added difference that we would recommend, clearly prohibiting dealers and distributors from selling boats and equipment containing a safety defect which has been identified to them by the manufacturer or by the Secretary of Transportation as creating a substantial risk of personal injury.

With this language, it would not matter whether the product in question is the subject of an existing manufacturing safety standard under the Federal Boat Safety Act. The criterion or basis for the prohibition would be the fact that the manufacturer and/or the Coast Guard has uncovered the safety defect and called dealers' and distributors' attention to it by appropriate defect notification procedures.

You will find that as a matter of practice the Coast Guard does from time to time publish in safety circulars safety defect recall programs covering instances where a product not necessarily covered by standards has been determined by manufacturers or the Coast Guard to have a defect which could cause personal injury left unattended.

Also, many manufacturers already are voluntarily taking steps to recall products which they discover or the Coast Guard calls to their attention as having a safety defect. They are doing this whether the product is covered by a manufacturing safety standard or not. It is preferable to exposing themselves to a product liability action if a consumer is injured because the manufacturer allegedly failed to warn against a known defect.

We do not think it is necessary to go so far, as some have suggested, that the Coast Guard become a veritable consumer protection bureau, having to investigate and respond to each and every boater's complaint with publication in the Federal Register and to require public participation in the Coast Guard's defect notification program. The Coast Guard is simply not staffed or budgeted to investigate every complaint.

What the Coast Guard can do as a practical matter is to circulate more information to the boating public about the defect notification program so that aggrieved boatowners are aware they can bring their complaints to the Coast Guard's attention in case they do not get satisfaction from the manufacturer or dealer about an alleged defect. This already has been recommended within the Coast Guard's Boating Safety Advisory Council.

Perhaps the Coast Guard can set up a defect notification hotline, using an 800 number. That would be an even faster and easier way of communicating information to them. The Coast Guard then would feed the information into a data bank for possible trends in defective boats and associated equipment, suggesting where the defect notification is in order. It would be particularly helpful in running down complaints in the used boat market, where the boating consumer cannot always rely upon a manufacturer still being in business.

In any case, we think the whole question of deficiencies in the defect notification program should be referred, as section 33(b) of the Federal Boat Safety Act dictates in any major boat safety matter related to the act, to the National Boating Safety Advisory Council for further consideration. It should be the Council's responsibility to make findings and legislative recommendations in this matter.

Thank you for this opportunity to express the largest single body of opinion among America's recreational boaters.

The CHAIRMAN. Thank you.

Mr. Stickell.

## STATEMENT OF ROBERT STICKELL, PRESIDENT, WASHINGTON MARINA, ON BEHALF OF MARINE RETAILERS ASSOCIATION OF AMERICA

Mr. STICKELL. Good morning, sir.

My name is Robert Stickell and I am president of the Washington Marina, a boat dealer here in Washington, representing the Marine Retailers Association of America.

It is estimated that there are over 15,000 boat retailers in the country, but if you count all the sellers of small boats in limited numbers there are probably many more. We do not employ a lobbyist, but instead individual dealers are asked to present our group's viewpoints when serious situations arise in which it is important that our viewpoints become known.

We thank you for the opportunity of appearing before you today to discuss proposed legislation to amend the Federal Boat Safety Act of 1971. With all due respect, the legislation as it now stands is improperly written. Somewhere along the line, somebody did not interpret what the Coast Guard really wanted.

The Coast Guard wanted dealers to be refrained by law from selling products after notifications of a Coast Guard recall, until such time as the defect causing the recall could be corrected. They most certainly did not—and I emphasize, did not—want the dealers to have to be the one to determine legally whether a product had an inherent safety defect or whether a product lived up to the standards of the industry.

The average marine dealer is not equipped to do these things. Nor is it fair for the Government to place this burden on these small businessmen. It is up to the manufacturers to produce a safe product that lives up to the standards prescribed by the Coast Guard.

The dealer should be in the position to draw a suspected flaw to the attention of his supplier without fear of having to stop his business cold and try to determine what is expected of him as a reasonable person, or to try to guess what an unscrupulous customer might expect him to do as a reasonable person, if there is a sufficient defect in a boat, which may be insignificant to someone else or subject to a wide variety of interpretations as to the nature of the problem.

Neither can he be expected to interpret the entirety of the completely technical data that makes up the industry standards as they may apply to any given boat in his inventory. This is the manufacturer's arena, and the builder must certify and answer to the Government for his product. The middleman cannot be expected to be a master of all this data.

Without belaboring the point here, my testimony in front of the House committee made our position very clear. The language should be definitely changed. If it is not changed, it will work to the detriment of the very goals that the Coast Guard is seeking and it will invite all types of unscrupulous legal activities against innocent retailers in the future. We had hoped that the language would have been changed before it reached the Senate.

We as small businessmen, attempting to bring the pleasures of water recreation to the American public, do not deserve to have this unwarranted burden placed upon our combined shoulders. It is up to the manufacturing community to produce a safe product according to the standards developed by their own manufacturing community in many years of close cooperation with the pleasure boat division of the U.S. Coast Guard.

I repeat, what the Coast Guard really wants is to prevent a boat from being sold once a dealer has been properly notified by his manufacturer that the Coast Guard has determined that a safety defect does in fact exist. Then they have the technical ability to have—and have had—the legal responsibility to determine this in the past.

To suddenly shift policing of this technical routine over to the boat retailing community, many of whom are so-called Ma-Pa operations, is not only unfair, it is self-defeating, and really rather ridiculous.

Furthermore, we feel that this language stems from the way that the legislation was requested by the Department of Transportation. Someone there—in whatever procedures they go through to develop the requests for legislation—did not take the time to really determine what the Coast Guard truly wanted in this situation.

We urge the Senate to take the time to find out, and to iron it out between your version and the version developed by the House of Representatives.

We also would like to point out at this same time that this same act created the Boating Safety Advisory Council to the Coast Guard, to advise them on all matters relating to safe boating. These changes to the act should be considered by this body before presentation to the Congress. This would be consistent with the original provisions of the act.

If the change to the Federal Boating Safety Act of 1971 does become the one requested by the Coast Guard, the marine retailing community will wholeheartedly applaud the effort. But we urge that you take the time to correct this.

Thank you for letting us appear before your committee.

The CHAIRMAN. Let me ask one very specific question. Both you and Mr. Simon said the Coast Guard did not intend this, it is a mistake of drafting. I have not asked the Coast Guard, but if I do ask them and they say, no, this is the way we meant to have it drafted, you still would not support it?

You are not hinging your whole statement on whether or not this is what the Coast Guard wanted?

Mr. STICKELL. No, sir. We do not feel that the marine dealer is technically oriented to determine that there is a defect in a boat. We are not the masters of all the technical data that is involved in building the boat or a marine product, and therefore we do not think that responsibility should be placed on our shoulders.

The CHAIRMAN. Right, and that is what I mean. Regardless of the Coast Guard's position, therefore, that is your position. In this case you think the language is mistakenly drawn because the Coast Guard did not even want this kind of language. But even if they did, you still would not support it.

Mr. STICKELL. Yes, sir.

The CHAIRMAN. Let me ask you this. You are stuck with the normal product liability laws in any event that exist from State to State. I mean, you can be sued, and if somebody wants to allege that you sold them a product and you knew of the defect, you are still subject to being sued. I am not saying the plaintiff is going to win, but you are subject to being sued now.

Mr. STICKELL. We would be.

The CHAIRMAN. As I say, that law varies from State to State to State. Interestingly, both the insurance industry and principal manufacturers are asking for a national products liability law, so that they do not have a great variance of the laws from State to State.

But whether or not we put this in the legislation, it does not mean if we do not put it in, that you are exempt from all lawsuits because it is not there. You still have the normal State laws and the normal laws of tort liability that exist, that cover any seller of a product, whether it is boats or automobiles or anything else.

Mr. STICKELL. Well, sir, our interest is not to make us the policemen to go out and try to find a defect and determine whether they are of the magnitude that we should refrain from selling a product, because we do not think that our membership of marine dealers are in a position or a category that they can really technically do that.

The CHAIRMAN. I understand your position very well. Both you and Mr. Simon present it very well.

I would pursue more questions if Mr. Schwartz was here, because he is on the other side of this issue. As he is not, I do not have any more questions for the two of you.

Gentlemen, thank you very much. I appreciate it.

That will conclude our hearing.

[Whereupon, at 10:33 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

# ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

## STATEMENT OF RICHARD SCHWARTZ, PRESIDENT, BOAT OWNERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee: I am Richard Schwartz, President of Boat Owners Association of the United States. With over 145,000 members from all fifty states, BOAT/U.S. is the largest national organization of individual boat owners in the country. We speak only for boat owners and are not affiliated with any industry group. I very much appreciate the opportunity to appear again before this distinguished panel.

Mr. Chairman, the Administration's proposed amendment to Section 12 of the Federal Boat Safety Act closes an important loophole in the consumer protection provisions of this landmark statute. This technical amendment explicitly prohibits the selling or offering for sale of a boat or gear which contains a safety defect.

As a participant in the drafting of this section of the Act more than a decade ago, I feel strongly that Congress did not intend to allow manufacturers or dealers to sell boats with known and declared safety defects. I do not believe that any reasonable argument can be made that a boat dealer should be allowed to sell an unsafe boat or unsafe gear to the boating public. For these reasons, we wholeheartedly support this amendment and urge that it be adopted.

However, while the Department of Transportation and the Coast Guard are to be commended for this positive step, we must report to you that we are troubled by the manner in which the intent of Congress in Section 15—the so-called "defect" provision of the Act—has been implemented. Essentially, Section 15 requires boat and equipment manufacturers to take corrective measures when their products fail to meet federal standards or are adjudged to contain a defect which presents, in the language of the law, "a substantial risk of personal injury to the public."

We believe that the giant steps taken by Congress toward protecting the boating public from unsafe vessels and gear have been hobbled by an excessively strict interpretation of what constitutes "substantial risk," and by the lack of public input into and awareness of the determination process.

To correct these serious deficiencies in the administration of the Federal Boat Safety Act, we propose that this Committee consider two simple and straightforward amendments to Section 15 of Public Law 92-75 which we believe will ensure the public input and public oversight necessary for the effective implementation of the Defect Notification process.

One amendment would enable a consumer with evidence of a safety defect to formally petition the Coast Guard for an investigation and require the USCG to respond within a specified time. Currently, the Coast Guard is not required to respond to consumer complaints or explain why they have declined to take action.

The second amendment would make the investigative findings of the Coast Guard available to the public and offer interested persons an opportunity to present data and views respecting defect determinations, especially when the defect is disputed by the manufacturer. This amendment would also require that boats or equipment which contain a declared safety defect be publicized in the Federal Register.

Both amendments are modeled nearly word for word on existing laws which protect automobile consumers from safety defects. We strongly believe that boat owners deserve no lesser protections, especially in view of the more hazardous environment in which they operate.

Mr. Chairman, we make these recommendations because our Association's efforts to bring safety-related hazards to the attention of the government have been met, frankly, with little success. There is a wealth of information about serious problems gathered by our organization's own resources, as well as those of marine surveyors, insurance companies and other sources. However, this data is not only untapped by the Coast Guard in its defect investigations, but, on a number of occasions, has actually been ignored.

We have been told that unless a reported problem results in a sinking, a fire, an explosion or direct loss of life, then it is not a "Safety Defect" under the Coast

Guard's interpretation of the "substantial risk" clause of the Federal Boat Safety Act. Presumably, the information that has been supplied is filed away to await some catastrophe which will prove that there is indeed a substantial risk on the water. We do not think that this is what Congress intended.

The information I am about to disclose has been gathered by the Association's Consumer Protection Bureau. The Bureau was established more than a decade ago to help boaters mediate disputes with boat manufacturers and dealers. Hundreds of cases are brought to the Bureau each year by consumers with complaints about the construction of their boats or the way in which their problems are handled by manufacturers.

Fortunately, most of the Bureau's cases involve non-life-threatening matters which are not—and should not be—under the jurisdiction of the Coast Guard. However, a number of cases have arisen which do reflect serious safety-related problems which are potential powder kegs. When this type of information is received (and verified), it is usually relayed to the Coast Guard. In addition, we alert our members and solicit their input through the Association's newsjournal, BOAT/U.S. Reports.

To give this Committee a small sampling of some of these cases, the Coast Guard's reaction to them, and to illustrate why the legislation we are proposing is necessary, I enumerate the following:

Case #1—We understand from a reputable marine surveyor that he advised the Coast Guard by phone and by letter of a vessel which developed, after about 40 hours' use, a hull fracture nearly two feet long, which very nearly sank the vessel. After the first repair, it was repaired two additional times for persistent cracking along the chine—a sign of a potentially serious construction problem. This matter was apparently never followed up by the Coast Guard. It is significant that a similar vessel produced by the same manufacturer sank on its maiden voyage less than one year later, off the coast of Massachusetts. Three people died as a result.

The Coast Guard investigative report of that event attributed the sinking to "hull failure." Accepting the manufacturer's representations, under the existing "defect" process, the Coast Guard issued a very limited recall campaign, requiring that only 50 vessels of an extensive line be examined.

Case #2—This involves a line of vessels with a fuel fill housing from which the hose apparently can slip off during re-fueling. The owners of two vessels that we know of pumped over forty gallons of gasoline directly into their bilges when the hose connection failed. We have contacted the Coast Guard twice about this very serious matter. To date, we are unaware of any follow-up.

Case #3—Because of a possible design error combined with an apparent deficiency in materials, the rudder on a certain common sailboat has been known to break at the waterline. Even though it results in an immediate loss of steering, the Coast Guard does not consider this a "substantial risk."

Case #4—The forward mast of a 3-year-old sailboat toppled suddenly, in moderate weather conditions. Fortunately, no one was injured. Although metallurgical tests strongly suggest flawed design and material, the Coast Guard expressed no interest in investigating, because such a failure would not constitute a "substantial risk of personal injury" since the incident did not sink the vessel.

Mr. Chairman, a disabled boat on the water is very much different from a disabled car on the highway. Unlike most automobile breakdowns where one just walks away, a rudderless or powerless craft can be quite uncontrollable. A boat adrift is subject to the perils of the sea and lives can become suddenly imperiled. The interpretation and implementation of the "Defect" provisions of the Federal Boat Safety Act must reflect these considerations.

If the Coast Guard is forced to limit its activity in this area because it does not have the manpower to adequately administer the program, then it is important in the context of this budget hearing for Congress to direct the Coast Guard to allocate the necessary resources.

In this regard, I want to point out that the Coast Guard, out of a total $2.5 billion budget, including 45,000 personnel, is allocating a mere $1.4 million and 25 persons to its entire nationwide inspections, testing and defect notification program. In fact, these programs have been cut by more than 50 per cent in recent years.

Mr. Chairman, the two amendments we are proposing to Section 15 of the Federal Boat Safety Act are limited to helping consumers who have evidence of safety-related problems with their boats or gear. We are adding nothing that would impel the public to rush to the Coast Guard with minor complaints—not any more than does the present language of the law which has been in existence for 13 years.

We strongly believe that the changes we are suggesting are necessary to carry out the spirit of the Federal Boat Safety Act, which was enacted by Congress to see to the protection of boaters from poor workmanship, construction short-cuts and just plain mistakes that could place Americans in life-threatening situations on the water. We urge that you give this matter serious consideration.

Lastly, as to the matter of alcohol abuse on our waterways, we believe that a national alcohol abuse education and awareness campaign focusing on skippers and their traditional responsibility to ensure the safety of their vessel and crew would have the most immediate impact on this problem.

And, thanks to your leadership over the years, Mr. Chairman, and your success in releasing boating's fuel taxes under P.L. 96-451, the Coast Guard is now in a position to financially assist the states and non-profit boating organizations in developing programs to tackle the problem.

The Coast Guard, however, will need help in gathering the necessary facts so that reliable statistics on the extent of the problem are generated. For this reason, we strongly support the state reporting and education provisions of Section 8 of H.R. 4851 and urge that the Coast Guard be given the wherewithal to fully investigate the problem before a federal policy predicated solely on law enforcement—and stiff penalties—is adopted.

On behalf of our 145,000 Association members, I thank you for again affording us the opportunity to express our concerns. I will be glad to respond to any questions the Committee may have.

### AMENDMENT NO. 1

Purpose: To provide a mechanism whereby any person with evidence that a safety defect exists may formally petition the Coast Guard to investigate and take action.

Change: Amend Section 15 (46 USC 1464) of the Federal Boat Safety Act of 1971 by adding a complete subsection such as Section 124 (15 USC 1410a) of the National Traffic and Motor Vehicle Safety Act of 1966:

"(h) Any interested person may file with the Secretary a petition requesting him to commence a proceeding to determine whether to issue an order pursuant to subsections (a), (b), (c), (d) and (e) of this Section of this Act. Such petition shall set forth (1) facts and evidence which establish that such an order is necessary, and (2) a brief description of the substance of the order which it is claimed should be issued by the Secretary. The Secretary may hold a public hearing or may conduct such investigation or proceeding as he deems appropriate in order to determine whether or not such petition should be granted. Within 120 days after the filing of such a petition described in this subsection, the Secretary shall either grant or deny the petition. If the Secretary grants such petition, he shall promptly commence the proceeding requested in the petition. If the Secretary denies such petition, he shall publish in the Federal Register his reasons for such denial."

### AMENDMENT NO. 2

Purpose: To formalize the "declaration of a Safety Defect" by the Coast Guard, to give the public the right to investigative information and the opportunity to present views and data in the case of disputed defect.

Change: Amend Section 15 (46 USC 1464) subsection (e) of the Federal Boat Safety Act of 1971 by adding provisions (shown as italics) such as contained in Section 152 (15 USC 1410a) subsection (a) of the National Traffic and Motor Vehicle Safety Act of 1966:

"(e) If through testing, inspection, investigation, research, or examination of reports carried out pursuant to this Act the Secretary determines that any boat or associated equipment subject to this Act—

"(1) fails to comply with an applicable standard or regulation prescribed pursuant to Section 5; or

"(2) contains a defect which relates to safety, and if the Secretary determines that notification provided under this section is appropriate, he shall notify the manufacturer of the boat or associated equipment of such defect or failure to comply, *and shall publish notice of such determination in the Federal Register*. The notice shall contain the findings of the Secretary and shall include a synopsis of the information upon which the findings are based. *Such notification (including such information) shall be available to any interested person, subject to section 14(b).* If the manufacturer receives notice from the Secretary within the time in which he would be required to make notification under subsection (a), upon receipt of such notice the manufacturer shall furnish the notification described in subsection (c) to the persons designated in subsection (b), unless the manufacturer disputes the Secretary's determination, in which case the Secretary shall afford such manufacturer an opportunity to present his views to establish that there is no failure of compliance or defect relating to safety; *and shall afford other interested persons an opportunity to present data, views, and arguments respecting the determination of the Secretary. . . ."*

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## Statement of Albert H. Friedrich, National President, Navy League of the United States

Mr. Chairman and Distinguished Members of the Committee: I am honored to have the opportunity to appear before members of this Committee in behalf and in support of the United States Coast Guard. The 50,000 members of the Navy League are united in their desire to see that this smallest of the sea services remains well-manned, well-equipped, highly motivated, and unhampered in its quest to retain and improve upon the versatility which has made its services so invaluable to the nation.

It is not my intent today to try to delve into the dollar content and the meaning of line items in the Coast Guard's budget. However, there are certain issues involving the Coast Guard and its many missions which in my view do warrant discussion by a layman. These are issues involving both national security and the ability to render service, and proposed actions which would limit the Coast Guard's ability to carry out its mission.

In my view, what enables the Coast Guard to accomplish so much with so little fanfare is the versatility of both its equipment and its people. For example, the Coast Guard maintains the largest and most complex aids to navigation system in the world. Yet at the moment one of its buoy tenders is serving as a mother ship for patrol craft off Grenada. Others undoubtedly are involved in search and rescue missions, domestic icebreaking, and even drug interdiction. These indeed are versatile ships and craft, manned by men and women who are honing their seafaring skills each day.

Yet it has been recommended, I understand, that funding for buoy tenders be sharply reduced, that many of aids to navigation functions be contracted out to commercial enterprises, and that the activities of buoy tenders be sharply constricted. As a concerned citizen observing a stretched-thin service work wonders with limited resources, I would strongly urge that the members of this Committee resist such a move, and act to insure that this aspect of the Coast Guard's mission is NOT reduced. Permitting this service to become less versatile, less able to respond when needed, can only work to the disadvantage of the United States.

Let it be recalled that only a few short years ago there was no 200-mile economic zone to police, there were no hordes of refugees to shepherd, and drug traffic was minimal.

A second area of concern is our lack of icebreaker capability and the proposed method of funding for operation of the handful of such ships the United States has left. As some of you may know, the Navy League explored this issue at some length in an article in SEA POWER magazine last December. I must say it does indeed come as a shock to realize that a nation that led the way in exploration at both poles and still has major scientific and national security interests in both areas is not even a SECOND-rate power when it comes to icebreaker capability!

In the last decade activities of all kinds in the polar regions have increased by leaps and bounds. And it certainly is obvious that as world requirements for resources multiply, efforts to extract them from those regions likewise will accelerate. I am certain you all have read many predictions that submarine under-ice operations will be on the rise, necessitating increased emphasis on our defense capabilities in those areas.

Is it unseemly to worry that at some time in the future a major power currently committed by treaty to peaceful uses of the Antarctic might abrogate that treaty? If that power had more icebreaking assets at its disposal than any other nation, could it not be assumed that these assets would be extensively employed there, to the detriment of all the other nations involved? The riches to be found in the Antarctic are boundless. They could be a tempting target.

At this point, it would appear that the United States should take immediate action to greatly expand its limited icebreaking assets. That, of course, means new ships, ships that would be years away even if Congress acted to authorize and fund them today. In the interim, it appears only prudent to do everything possible to keep the remaining five in the best possible operating condition—which means keeping them active and well-maintained by the full, highly trained crews they have aboard now, and not laid up to deteriorate until some agency of the government decides it might like to use one of them. That would indeed be sheer folly!

The third subject I wish to discuss with you is people—enough people. Thanks to the wisdom and foresight of Congress, considerable sums were allocated in the FY 1982 and FY 1984 budgets for procurement of equipment that was vitally necessary for the continued effective operation of the Coast Guard. However, if it is required to divest itself of certain responsibilities, and contract them to commercial firms, many personnel directly involved in fulfilling those responsibilities will be lost to the Coast Guard.

I can only hope that the Congress does not concur in a recommendation for reduction of personnel in one area of Coast Guard operations without insuring that enough dollars are included in the budget to provide for enough personnel to man the new equipment soon to be coming on line. For personnel levels to resemble a sine curve—up today, down tomorrow—could only result directly in losses of lives and property because of inadequate manning of physical resources during the down side of the curve. I am confident Congress does not wish such a possibility to become a reality.

Finally, as a concerned individual, and as president of an organization pledged to support the sea services and to educate others concerning their needs, I wish to express my personal thanks to the members of this Committee for initiating the wise and courageous actions ultimately taken by Congress to insure the Coast Guard had the wherewithal to carry out its responsibilities.

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### STATEMENT OF REAR ADM. ROBERT H. SPIRO, JR., USNR (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee: It is a pleasure to have the opportunity to appear before this Committee for a presentation by the Reserve Officers Association (ROA) concerning the United States Coast Guard and the Coast Guard Reserve. I am accompanied by Captain John Lynker, U.S. Coast Guard Reserve, Vice Chairman of our Coast Guard Affairs Committee.

During the last few years, we have detailed before this committee the concern of ROA over the state of the Coast Guard and Coast Guard Reserve. Once again the Department of Transportation's FY 1985 Budget Request for the Coast Guard is essentially a level effort request. Given the current strain on resources, the Coast Guard, at best, has only a marginal capability to carry out its peacetime taskings. The Coast Guard's capability to carry out war-time taskings is a matter of well know serious concern. These short comings have been set forth time and again in magazine and newspaper articles, in GAO reports, and in congressional oversight reports. None of these independent evaluations appear to make any significant impact on the Administration. To submit a level funded budget request in support of our fifth Armed Force, in view of the problems it faces, simply ignores statutory direction and, given the President's resolve to improve our nation's national security, is completely inexplicable.

While for the first time in eighteen years, the Budget requests a small increase in Coast Guard Reserve strength, this is accompanied by a requested decrease in active duty military and civilian strength—specifically, an increase of 500 Reservists accompanied by a decrease of 513 active duty military and 242 civilians. We know that the Coast Guard requested moderate increases in both Reserve and active strength. The proposed reduction simply makes no sense given the overall problems facing the Coast Guard—regardless of the specific justifications provided.

Mr. Chairman and committee members, we, and others, have said this so many times it becomes discouraging. The Coast Guard must be adequately funded to carry out both its peacetime and wartime functions. The Coast Guard has been eroded so many times over the years as it has been given new missions without any additional assets. People and equipment are stretched to the limit. Our Coast Guard personnel have always exhibited the "can-do" spirit but they are sinking fast and you can sense the morale in the field starting to dip. This is a dangerous situation. People will be hurt and lives will be lost—needelessly!

ROA expressed concern several months ago when the Coast Guard was assigned heavier responsibilities under Vice President Bush's Drug Enforcement program—Operation Nimbus. The goal was noble; our country needs this kind of effort. Nevertheless, the Coast Guard was unable to ask for additional funding and the costs of the entire operation were "taken out of hide"—as usual! Our expressed concern, unfortunately, was well-placed. New taskings are being received which will require out of CONUS training (viz., port security in certain overseas ports). Coast Guard operations in the Martime Defense Zone concept, agreed to be the Navy and Coast Guard, will require additional funding. How much and where will it come from?

Each additional peacetime job forces the Coast Guard to accommodate yet another drain on its limited managerial and financial resources.

Not only do these kinds of budgetary pressures cause trauma in the day-to-day operations of the Coast Guard, they most certainly result in the degradation of military readiness training and further benign neglect of the Coast Guard's longstanding wartime responsibilities. This problem has been addressed many times in many forums, the most recent being an article in the February issue of the U.S. Naval Institute "Proceedings," entitled "The Coast Guard—Quo Vadis?" A copy of that article is appended to our statement for your information.

The House "Semi-Paratus" report, resulting from oversight hearings in 1981, surfaced many deficiencies involving the nations oldest, continuous sea-going service. GAO Report, PLRD-82-98, issued on August 18, 1982, stated, "Our review . . . . disclosed several problems which raise questions about the Coast Guard's ability to successfully carry out its on-going peacetime missions and to assume additional ones to support Navy Operations in wartime." Military mobilization exercises during the past few years have repeatedly shown serious deficiencies in Coast Guard personnel, equipment and training capabilities. Yet no significant budgetary measures to remedy these deficiencies have survived the DOT/OMB budget process. Accordingly, the Reserve Officers Association again urges that the Secretary of Transportation request and allocate sufficient resources to the Coast Guard budget to promptly eliminate the military readiness deficiencies of the Coast Guard, as cited in the General Accounting Office's Report to the Secretary of Transportation on the Readiness of the Coast Guard, and by 1 October 1984 to "present a time-phased plan to Congress to implement the necessary changes and adjustments to the size, organization and structure of the Coast Guard", as recommended in the GAO Report.

However, since the FY 1985 budget submission does not provide adequate funding in support of Coast Guard missions and operations, ROA applauds the initiative and strongly endorses the alternative budget introduced by members of the House Merchant Marine and Fisheries committee (HR 4841). We urge that this committee sponsor a similar alternative budget. The increased authorization level recommended by HR 4841 would preserve the 513 active duty military personnel programmed for deletion by the Administration. Additionally, the proposed increase of $188 million in A, C and I would provide the upgrades in cutters, aircraft and base support operations necessary for the Coast Guard to improve its ability to carry out high priority at-sea law enforcement, search and rescue, and military readiness missions.

It is imperative that the Coast Guard and Coast Guard Reserve be fully prepared to meet their statutory military duties as prescribed in 14 U.S.C. 1, which provides for the Coast Guard to be ". . . a military service and branch of the armed forces of the United States at all times."

## ESTABLISH A HIGH LEVEL OFFICE IN DOT TO COORDINATE NATIONAL SECURITY PLANS AND PROGRAMS

About eighteen months ago, the Reserve Officers Association urged that the Coast Guard upgrade their office of readiness to a more visible and influential position. We are pleased to learn that the Commandant has just approved establishment of an Office of Readiness and Reserve—to be headed by a senior Rear Admiral, with a deputy for Reserve and a deputy for Readiness. We applaud this initiative which should help significantly in ensuring that Readiness is always a major factor in the planning and policy process of the Coast Guard.

This Coast Guard action, however, addresses only part of a very critical problem. It is also absolutely essential that awareness of military readiness and mobilization planning become a major factor in Departmental planning and policy making. DOT is second only to DOD in having cognizance over programs with national security impacts—Coast Guard; MARAD; UMTA; FHWA; FAA; Railroad Administration; Highway Traffic Safety Administration, etc. DOT often appears to forget that it plays a major role in mobilization planning, not only with the Coast Guard, but with every other agency in the Department. Every transportation element will be involved upon mobilization. While Coast Guard has the strategic mobility mission, successful execution of this mission requires overall coordination of national transportation and port assets.

A review of the organizational structure of DOT reveals Assistant Secretaries for Policy and International Affairs; Budget and Programs; Governmental and Public Affairs; and Administration—nothing remotely relating to National Security. If one pursues the organizational chart at some length, one finds an obscure office entitled "Office of Emergency Transportation" buried deep in the Research and Special Programs Administration. Our informal check indicated that personnel in this office were concerned about lesser matters; for example, what to do in the event of a mail strike. So, even in the Office of Emergency Transportation, they do not appear to be planning how transportation elements will respond in a mobilization emergency. Nevertheless, even if this office was involved in true mobilization planning, this certainly is not the level of responsibility which is essential to the proper coordination of national defense readiness and planning for all agencies within DOT, the National Security Council, the Department of Defense, and FEMA.

Accordingly, the Reserve Officers Association urges that the Congress give strong consideration to establishing and funding a high level office in DOT with responsibility for coordinating national security plans and programs.

## STRATEGIC MOBILITY AND PORT SECURITY

Once again the General Accounting Office has found serious problems concerning plans and programs to assure the continuity of vital wartime movements through U.S. ports. (GAO/NSIAD-83-18 dated August 30, 1983)

This report did not reveal anything new. It pointed out the problems we have been talking about for years. We all know that our ports are vitally important to military mobilization. We also know that they are highly vulnerable to major disruptions because of terrorism, sabotage, mines, etc. The GAO also found no one is "in charge." Lots of people and agencies are doing different things. However, no one is coordinating between the various Federal, State, and local government agencies in order to assure continued port operations in such an emergency situation. The results of local exercises often appear to indicate that "all is relatively well." However, many senior Coast Guard officers are concerned that these exercises are too narrow in scope and produce misleading results. There is great concern that we don't have the ability to successfully carry out a full scale port operation during emergency conditions.

A very timely issue to consider is port security during the upcoming Olympic Games in Los Angeles this summer. There is the likelihood that some nations, acting out of fear of terrorist attacks ashore, will house their Olympic personnel aboard ships in the harbor. Recognizing the potential problem, the Coast Guard is planning to recall approximately 550 Reservists for six weeks. However, no one yet seems to have a coordinated plan and worse yet, we can't find who is in charge to develop the plan. Is it the Coast Guard; is it the FBI; is it FEMA; is it the Port of Los Angeles; is it the Los Angeles County Sheriff? Different people have different guesses. This is certainly one situation we had better get a handle on quickly. An Israeli ship loaded with Israeli athletes, anchored in the harbor is going to be a very inviting target for maritime terrorism.

We all know the problems. But someone must come up with solutions as to how we secure the ports of this nation. Again, as we recommended above, establishment of a high level office in DOT to coordinate national security plans and programs, utilizing a properly funded and equipped Coast Guard as the operational arm, appears to ROA as a major step in the right direction.

## POLAR ICE BREAKING

At best, the United States today has a minimal ice breaking capability. Our capability is far exceeded by that of the Russians, Finns, Norwegians and Canadians.

As this committee is aware, the only U.S. polar ice breaking capability rests with five Coast Guard Icebreakers. West Wind, North Wind, and Glacier are forty years old and posssess outdated technology. West Wind was holed quite badly in the ice a few months ago and we now understand that she is scheduled to be laid-up instead of being repaired. This action reduces by one-fifth our already minimal ice-breaking capability and is completely unacceptable from a national security point of view.

Polar Star and Polar Sea were built in the mid to late seventies and are excellent examples of modern day icebreakers. However, we've never gotten the polar presence out of these two ships that was originally planned. There was to have been a third "swing" crew established for these two ships which would have enabled a full year around presence in both the Arctic and Antarctic. OMB has never let that happen. (Establishment of the "swing" crew for these two ships would be outstanding utilization of some of the 513 active military personnel slots the Administration wants to eliminate for FY 1985.)

However, no new icebreakers have been seriously considered since Polar Star and Polar Sea. We must start planning immediately to replace the three old and outmoded ships. We must maintain a Polar presence for national security. The State Department and the National Science Foundation have often provided justification for this presence. In fact, such justification was provided in support of building

Polar Sea and Polar Star. To layup the three old ships as they become incapable of carrying out their mission and not replacing them with new construction is unthinkable.

In summary, ROA strongly recommends that planning commence immediately to replace East Wind, West Wind and Glacier; that West Wind be repaired and placed back into service; and that a third crew be established for Polar Star and Polar Sea and originally intended.

As noted earlier, acceptance of the alternative budget as contained in HR 4841 would accomplish most of these recommendations. Specifically it would provide for repair of West Wind, thereby maintaining the five vessel heavy icebreaking fleet; it also mandates preparation of design and construction plans for at least two polar icebreakers to be operational by end FY 1990.

## AIDS TO NAVIGATION

Coast Guard Buoy Tenders are assigned to the Navy upon mobilization. Their presence is critical in ensuring proper harbor markings in the event a harbor undergoes damage. Their presence is vital to ensure movement of war materials, troops and quite possibly, the Rapid Deployment Force, out of the harbors. Buoy Tenders are an essential part of the Readiness team. Nevertheless, the Administration approach is to construct single mission, limited usage ships and to contract out more and more of the aids to navigation responsibility. Such an approach will eventually phase out all Coast Guard Buoy Tenders and the Navy will receive no aids to navigation support from the Coast Guard on M-Day. This, again, is an example of administration efforts to civilianize and contract out various Coast Guard functions with little, or no, thought given to national security implications. Over the last three years, the administration approach to the Coast Guard is replete with such attempts.

This is yet another example of why a high level office in DOT responsible for coordinating national security plans and programs is essential. DOD understands National Security implications. We are not sure that DOT and OMB do.

## COAST GUARD RESERVE

While this committee is not responsible for the sizing of the Coast Guard Reserve, it is responsible for authorizing the funding for Reserve Training. Accordingly, I would like to take a few minutes to discuss the reserve. In the on-going problems surrounding the Coast Guard, generally very little is mentioned about the Reserve. The 1982 GAO Report did, however, comment at length about apparent deficiencies in Coast Guard Reserve logistical support and training. As we have noted numerous times, port security is a most vital mission and, according to most national security authorities, is one which is the primary mobilization responsibility of the Coast Guard Reserve.

We do applaud the Secretary of Transportation and OMB for taking the first Administration step in eighteen years towards increasing the Coast Guard Reserve. When you consider that a reduction of 1,300 was recommended in FY 1983 and that the FY 1984 request was to remain level with FY 1983, a 500 requested increase for FY 1985 is certainly a step in the right direction, albeit it a small one. (It should be noted however, that the Commandant requested an increase of 800.) At the rate of 500 a year, the Coast Guard Reserve could be at 100 percent of their currently stated mobilization requirement (A DOD goal for end FY 1987) in twenty years! This is certainly slower than deliberate speed!

It should be realized that the current Coast Guard Reserve Strength level of 12,000 represents only 55 percent of its wartime requirements; 12,500 will result in a 57 percent level. In comparison, the other Armed Services Reserve Components are authorized and funded to strengths approaching an average 90 percent of mobilization requirements and are still increasing.

Mobilization of both the Coast Guard Selected Reserve and the IRR will still result in a deficit of approximately 6,000 people short of the 22,000 mobilization requirement. Further while this requirement is still undergoing review, every possible indicator reflects a real requirement significantly higher than 22,000. Since this number hasn't changed in over ten years, a higher requirement certainly appears logical. Accordingly, ROA cannot concur with a budget submission which request such a minimal growth in Coast Guard Selected Reserve strength.

ROA strongly recommends that, as a minimum, the Coast Guard Selected Reserve strength be increased to 75 percent of current stated requirements—16,500; and that a target date for attainment of this strength be established as 30 September 1988. ROA further recommends that an increase in FY 1985 Coast Guard Reserve Training funding be authorized to support an increase of 1,200 to a level of 13,200—a level which we believe to be reasonably attainable.

Accordingly, ROA strongly recommends that the Reserve Training authorization for FY 1985 be increased from $58.833 million as requested to $61.2 million. Funding authorization in this amount will support a Coast Guard Selected Reserve strength of 13,200.

An interesting commentary on the current Selected Reserve strength arises from the aforementioned call-up in support of next summer's Olympic Games. A moderately unusual event comes along and five percent of the entire Coast Guard selected reserve will be recalled to assist in port security for one harbor. This one example certainly raises questions as to what would happen during a full scale mobilization in which all of our ports would face really serious threats.

A caveat must be raised, however, concerning our recommendation in support of increased Selected Reserve strength. While some trade-offs may be feasible between Active and Reserve strengths in the DOD Armed Forces, such force-mix offsets have no relevance to the Coast Guard—regardless of contrary opinions apparently prevalent in OMB. While the FY 1985 recommendations of a 500 SelRes strength increase and a 513 Active Military Strength decrease may truly be coincidental, there are many who are justifiably suspicious. Nevertheless, there is great concern within the Coast Guard leadership that OMB will view any future SelRes strength increases as definite trade-offs against active strength. ROA, in the strongest possible terms, flatly rejects that rationale and recommends that language be included in the committee report which would direct OMB/DOT not to pursue that course of action.

Given the current inadequate strength levels in both the Active and Reserve Coast Guard, it must be realized that the issue is not one of "Apples and Apples." It is one of "Apples and Oranges."

Active strength must grow in order to carry out the Coast Guard's ever-expanding peace-time missions. The Coast Guard Reserve cannot replace the active Coast Guard in this peace-time arena (although the Reserve can assist); yet Reserve strength must also increase in support of war-time related missions. There must be no personnel trade-offs as we seek to build up the Coast Guard Reserve.

As noted earlier, we realize that sizing of the Coast Guard Reserve is the responsibility of the Armed Services Committees. However, Mr. Chairman, ROA strongly urges that the members of this committee sign a letter to the Chairman of the Armed Services Committee requesting that Committee's support in increasing the Coast Guard Selected Reserve strength to 13,200 for FY 1985.

I would like to briefly make two final recommendations concerning the Coast Guard Reserve.

(1) We would encourage the Coast Guard to investigate the advisability of having an Air Reserve component like all of its sister Armed Forces. This appears to be a logical step because such a large percentage of the active duty Coast Guard is involved in the air arm. Depending on budget constraints, such air units could be equipped with their own hardware or they could form associate units flying aircraft of the active force. Both the Air Force Reserve and the Naval Air Reserve have hardware air units and associate air units. Both work well and retain needed mobilization skills in the Ready Reserve.

As a further thought on this subject, under the Maritime Defense Zone Concept, the Mine Counter-measures mission, the Inshore Undersea Warfare mission, and the Special Boat Warfare mission all require slow flying coastal aircraft capability. No one has this capability now.

(2) The Coast Guard has indicated a need for more vessels and many are on the way or in procurement negotiations. ROA believes strongly that the Coast Guard needs additional platforms now. An interim opportunity, especially in the Florida straits, could be the use of the four Navy patrol craft (PG's) which are now being discussed for foreign military sales. Informal discussion with personnel at the Navy's David Taylor Research and Development Center, indicates that each boat can be restored to a fully operational status for approximately $500 thousand.

The Coast Guard has reservations about taking these four PGs because of possible adverse impacts on their buy of 130 foot patrol boats. Knowing the attitude of OMB, the Coast Guard concern is certainly appreciated. OMB's lack of national priorities was certainly demonstrated last fall after the FY 1984 Defense Appropriation Act included $300 million for Coast Guard A, C and I. The Coast Guard was told, in effect, "O.K., you've got the money. Just don't buy anything which will require additional funding or personnel support." If assigned to the Coast Guard, these PG's should be considered as additional craft; not as trade-offs against new construction. One solution might be to assign them to the active force until the new boats come off the ways; then transfer them into the Reserve for augmentation and mobilization training.

### SUMMARY

The military readiness of the Coast Guard and its Reserve must be increased—neither permitted to diminish nor to remain at a level below that required. Both are absolutely essential to the successful implementation of the concept of rapid deployment and strategic mobility. The Coast Guard is part of the Naval Community with specialized knowledge and skills. The Navy is frequently asking more of the Coast Guard than current capabilities can probably provide. The planned Coast Guard contribution to the Maritime Defense Zone Concept and their current support in Grenada are examples as to why the Coast Guard must stay ready and better prepared in a volatile world. Approximately 30 percent of the U.S. force in Grenada today is Coast Guard (approximately 119 personnel out of 400). As a multi-mission force, one never knows what demands are going to be put on the Coast Guard from one day to the next. The Department of Defense and the National Security Council have recognized the contribution of the Coast Guard to national defense. We must, as a nation, do likewise by authorizing the necessary increased strength levels and funding.

The Administration appears unwilling to ask the Congress for those increases necessary to meet readiness requirements. Again, therefore, we must ask you, the Congress, to act. The Coast Guard provides a host of services which are absolutely essential to the military readiness, health, safety, economy and environment to the ports and waterways of the United States and to the deployment of specialized personnel to overseas ports. They certainly have the support of the American people. They obviously don't have the full support of the Administration. As in past years, they need yours.

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## EDWARD WENK, JR., EMERITUS PROFESSOR OF ENGINEERING AND PUBLIC AFFAIRS, UNIVERSITY OF WASHINGTON, SEATTLE

Your invitation to submit testimony regarding authorizations for the United States Coast Guard, 1985-86, is most welcome. Indeed, it is a genuine privilege to contribute. In this statement, I represent only myself—as a professional engineer with over 40 years practice in the field of marine techology and risk assessment, but also as the senior author of the most recent (1982) and comprehensive study of maritime traffic safety on Puget Sound. I hope that insights derived from those experiences will prove useful to your deliberations.

In particular, I shall address the issue of ferry safety because the highest risk was found to lie with their passengers. I shall also address the urgent need for Congress to raise the level of consciousness of the Coast Guard on opportunities to reduce risk at relatively low cost. This Committee has a long and distinguished record of initiatives in the field of maritime safety, and it could continue that tradition in pending authorization bills. Indeed, it is my hope that this Committee will instruct the Coast Guard to review the situation and act with greater dispatch.

The complete 1982 report on Puget Sound safety is in the Committee's hands, so that I shall only highlight major conclusions and recommendations. I shall also bring you up to date on what has happened since the report was released that reflect both on safety and on the politics of safety.

The study addressed one major question: By what ways and means can the current and projected growth in density and diversity of traffic be accommodated at reduced risk? Risks, incidentially, included those to human life, to property and to the environment. Research scope embraced all classes of traffic, 25 causes contributing to serious accidents, and 15 alternative measures to reduce risk. This safety issue did not arise, incidentially, out of alarm over a high rate of vessel casualties. Rather, it was an awareness that Puget Sound is unique in its conflicting uses, in the high volume of ferry traffic, its role in hosting a valuable fishery, and its special problems of traffic mix, navigational constraints and severe environmental conditions of tide and storms, its high economic value and its environmental sensitivity. It was also recognized that the low rate of past accidents do not provide valid measures of current or future safety when dealing with a worst case of ferry accident in a class characterized as rare but catastrophic.

The analysis was developed from a base of casualty data provided by the U.S. and Canadian Coast Guards, by extensive interviews of waterway users, review of the technical literature on accidents of all kinds including shipping, and by the generation of hypothetical accident scenarios.

What follows is discussion of some ten recommendations proposed to reduce risk, including the status of these proposals as considered by the Washington State Ferry System and the Coast Guard.

The ten recommendations were:

(1) Install liferafts on all ferries;

(2) Limit ferry speed in fog;

(3) Strengthen contingency planning for rescue in event of casualty;

(4) Impose more rigorous professional qualifications and training required of mariners at all levels, including periodic retesting;

(5) Strengthen on-water policing and enforcement, with stiffer penalties for violations;

(6) Improve weather forecasting and real-time reporting;

(7) Impose selective vessel traffic control;

(8) Standardize bridge-to-bridge radio communication;

(9) Impose selective speed limits;

(10) Institute a reporting system for close encounters that are precursors of dangerous conditions.

Quite apart from my own study, several independent initiatives were under way by mariners, by Washington State Pilot Robert Deschamps to stiffen mariner qualifications, by ferry master Robert Davis to gain liferafts, additional crew and other safety measures, and by the Sea Use Council to improve weather services. The problem was that both the Washington State Ferry System and the U.S. Coast Guard studiously ignored most of their communications as well as the safety study; indeed, both organizations publicly attempted to discredit the latter. Subsequent marine incidents and follow up correspondence has now aroused attention and, as noted, some progress is being made. I leave to your judgment whether it is sufficient or timely.

To return to the recommendations, in the interest of brevity, only the first six are elaborated.

As to life rafts, most ferries have none. They travel in all kinds of weather; regularly cross traffic lanes; make more transits by far than any other vessel. They thus have the greatest statistical risk of casualty. In the worst case of fire or structural damage from collision or both, passengers would have to evacuate the vessel. Life jackets would keep people afloat, but in the cold water of the Sound, hypothermia would lead to death in a short time for the aged and infirm. Survival for even the healthiest would be threatened. The lifeboats they carry can seat from 20 to 40 people and are intended only for recovery of overboard persons. In responding to this concern, ferry officials said that that few rafts were installed because they were not required by the Coast Guard. The Coast Guard said none were mandated because rescuers are always close by, and it was safer for passengers to stay on board, even in event of a vessel being cut in two, because both halves would float. This ignores conditions of older vessels which have no underwater subdivisions, and the hazard of fire from hazardous cargo always carried in the gasoline tanks of vehicles.

Last fall, the ferry ELWHA went aground when a ferry skipper sailed off course to take a passenger in the wheelhouse sightseeing. Newspaper reporters and television editorialists took a lively interest in the event, but went further to throw a searchlight of attention on the long neglected study, then buttressed by endorsement by some 52 ferry masters. I am now pleased to report that about two months ago, even without Coast Guard requirements, ferry managers decided to install liferafts. None are yet on board, pending Coast Guard approval of the particular model. Very recently, over one year since the safety study was released, the Coast Guard reported that they are examining possible changes in their requirements for primary lifesaving equipment on passenger vessels. Such change in outlook deserves commendation, but it is noteworthy that the agency responsible for maritime safety had not moved on its own initiative.

Parenthetically, twelve of the twenty-two ferries have been exempted from carriage of a gyrocompass, depth sounder, charts of maneuvering characteristics, and navigation plotting equipment. The Coast Guard still cotends that these waivers do not impair safety. That viewpoint has been challenged by others.

As to speed limits for ferries in the fog, the problem arises from pressures on ferry masters to adhere to schedules. Consequently, there is a widespread practice of running at cruising speed even when visibility is limited, depending on radar to detect danger. We know from international experience that fogs promote collisions. Also ferry operators are unable to fully monitor radars on board. Ferry masters know that they are violating good judgment, if not rules-of-the-road. They have thus proposed loosening up ferry schedules so that in the good weather, ferries might arrive ahead of time, but on time in bad weather when operators would choose to run slower. Ferry managers deny that ferry operators are under pressure and have done little to correct this situation, although they plan to experiment with collision alarm radar. Interestingly, the Coast Guard acknowledged the study's concern by complaining publicly on local television that ferries were exceeding safe speeds; but in response to my recent inquiry deny having observed excessive vessel speed in reduced visibility on grounds that "there is no legal basis for the PSVTS to determine what constitutes excessive speed." An independent observer might well judge that the Coast Guard has indulged in bureaucratic jargon and legaleze, if not ducking the question altogether.

On contingency plans, the problem is that ferries sometimes carry over 2000 passengers; in event of a serious accident, every possible resource would have to be mobilized to assist in a mass rescue. Such a mishap would be complicated by weather, darkness and availability of resources. In that recognition, the Coast Guard contends that they have such a contingency plan. Surprisingly, ferry masters have never been consulted in order to comment on its adequacy. Indeed, they haven't been issued copies! I reviewed one recently and ferry masters would be quite upset at its contents. Among its other conspicuous shortcomings, it incorrectly states that all ferries "have numerous lifeboats on board." It also fails to deal with specific credible events, such as a ferry collision on Rosario Strait, late at night, in a fog, when other vessels are unlikely to be in the area, and most of those cited in the contingency plan are several hours cruising time away. It provides no information on how to reach other potential rescue parties by telephone, and relies on one radio channel, VHF16, as the only circuit for all parties to communicate with each other during a rescue operation. There is no information on medical facilities, and where to land large numbers of survivors. The Coast Guard refers to study of safety by the recently organized Puget Sound Users Forum, but their minutes reveal no such discussion. Clearly, much more needs to be done, promptly.

As to more rigorous standards for mariners, it should be emphasized that the study confirmed the primary cause of maritime accidents in Puget Sound, as elsewhere, as human error. 80% of the accidents can be traced to poor judgment, ignorance, idiocy or blunder. Proficiency can and should be sharply increased. It should be refreshed by periodic retesting, by demonstration of competence in simulators where rehearsals could be conducted on shiphandling, radar and watchkeeping in fog, communications, damage control and crisis response. Also, experience should be increased rather than decreased in emphasis, carefully evaluated before upgrading, using documented evidence from individual log books. Examiners should be sufficiently experienced to employ essay questions rather than simplified, multiple-choice. Toward these goals, the Coast Guard contends that it is moving by publishing several proposals for tougher requirements, beginning in January, 1983. As of this date, it has failed to act on any, perhaps out of complaints over insufficient consultation of professional mariners.

With regard to policing and enforcement, rules are meaningless if ship personnel perceive the Coast Guard as indifferent to violations, if prosecutions are infrequent and penalties trivial. Virtually all of the users interviewed were critical of Coast Guard neglect. In response to this observation, the Coast Guard contends that its current program is adequate, as is the level of monetary penalties imposed to deter sloppy seamanship. Nevertheless, in the 13th District over the last two years where there had been roughly 1,400 violations of all kinds requiring warnings or monetary penalties, only 39 were recorded as involving rules-of-the-road. Of these, none involved license suspension, few involved monetary penalties, and of these, only two were up to the $5,000 limit that was raised by statute several years ago. This amounts to only one serious penalty per year, a number starkly inconsistent with casualty data of roughly 50 serious events per year of which three-fourths involve human elements. Also pertinent is the fact that collection of penalties is turned over by the Coast Guard to the U.S. Attorney General, and that office refuses to collect if the penalty is below $500 because they claim it would not be cost-effective. Thus, the threshold of Coast Guard penalty initiative has been set in practical terms at $600, and they know that the smaller penalties still imposed will never be implemented. This issue genuinely needs review, and it is not meaningful for the Coast Guard to investigate itself.

As to weather, there is inadequate reporting of fog that on Puget Sound may form swiftly and at random. Weather stations have been reduced; most real-time reports are from land-based stations remote from the waterway; marine forecasts are too general to reveal significant details; and accuracy of forecasting does not seem to have improved with advances in technology. The Coast Guard now reports it has just begun to confer with the National Weather Service on this matter. While that is encouraging, the time interval from conversation to enhanced field services to mariners may be dangerously long.

The point should be made that although this 1982 study pinpointed only three recommendations aimed specifically at ferries, the other seven recommendations apply to all vessels operating in the Sound. However, the safety of ferries cannot be analyzed as though these vessels were isolated from other traffic. It is thus essential to consider all ten.

One further note may place this concern over safety in perspective. Over the last decade, domestically and internationally, the number of ship collisions, fatalities and financial losses have not been significantly reduced, despite the use of latest technologies. The collision rate per vessel trip as a collision exposure index has actually increased. Lives are lost. Vessels are lost. Ferry docks have been knocked out of service. Bridges have been destroyed. Fishing nets have been cut. Oil spills continue. In no other transportation mode is the accident rate so high, a matter that has drawn sharply worded commentary by the National Transportation Safety Board. It is also a melancholy fact that many steps to improve safety were taken only after a catastrophe. This has been true of passenger vessel fires, and regarding the shortage of lifeboats on the TITANIC. We do not need more study. We already know how to reduce risks. What we need is a stronger determination to do so.

From all that we know about the causes of ship accidents, there is urgent reason to consider stronger measures to prevent, reduce or mitigate consequences. Because the ship operator is the key element in safe operation, and because so many accidents derive from the human element, most of the recommendations listed previously are intended to increase information or enhance skills in its processing, to facilitate accident avoidance by the master.

As a final point, the study for which I was responsible was submitted as a draft to Coast Guard headquarters in October, 1982. The purpose was to provide an opportunity for review and correction by the Coast Guard which was then the sponsor, prior to release. Their prompt and thoughtful response contained only a few minor points that were incorporated. After the report was released in December, 1982, the Coast Guard stated that it would publicly comment on study findings. Only after continued inquiry by Senator Gorton was that review completed in October, 1983.

I recognize that views expressed in this statement reflect analysis of only one professional analyst. However, when drafts were sent to the Coast Guard, copies were also sent to the Washington State ferry officials, to officials of the Canadian Coast Guard and ferry system, to a Puget Sound pilot, and several ferry masters, and to others. You should know that all responded in support of the findings; some were elaborate in praise. That consensus might be confirmed if a hearing were convened in the Puget Sound area. So might the general state of wobbly confidence that the Coast Guard has engendered by users, including citizens who ride the ferries.

The Coast Guard has the prime responsibility for setting and enforcing rules for traffic safety. The public depends on them. So do professional mariners when shipping firms want to cut safety corners. Yet this agency paradoxically seems complacent, with an air of infallibility and indifference to outside perceptions of professionals and citizens alike. Why the Coast Guard has not taken conspicuous initiatives of its own to reduce risk is baffling. That service has an outstanding record of accomplishment. No government agency has any higher or more brilliant tradition in serving the public interest. I would hope that by a strong expression of concern, this Committee would help the Coast Guard sustain the same high standards for regulation and enforcement of safety that are so powerfully manifest in its superb operations in search and rescue.

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## STATEMENT OF ROBERT S. BUZARD, PRESIDENT, ELECTROCOM AUTOMATION, INC.

The 1985 Budget Message of the President to the Congress of the United States stated, in part:

"Through improved intelligence information and inter-agency coordination, the Coast Guard contributed substantially to a major reduction in maritime marijuana smuggling in 1983. A high level of maritime law enforcement will be continued in 1985 for both fisheries and antismuggling activities."

Today, the United States Coast Guard is straining at the seams to meet the increase both in the number of missions and the scope of these missions. Their expanded role in drug interdiction within their Maritime Law Enforcement mission is a good example. This problem is not new and was detailed in the study, "U.S. Coast Guard: Status, Problems and Potential" a special report to the President issued in January, 1983. As a result, the Coast Guard is struggling with a transition as profound as the change to steam-powered ships in 1857; the transition to an information driven tactical operations system.

This transition is being forced by pressures both from inside and outside our society which, for the most part, are fueled by a rapid acceleration of information technology. And, these changes are coming at a time when Federal budget deficits are creating a downward pressure on a Coast Guard budget that is trying to upgrade antiquated equipment, some of which has seen half a century of service. In past years as well as the current year their budget requests reflect the recognition of this problem and a desire to solve it. But, the time has come to accelerate the funding to match the problem.

The Coast Guard recognizes that adding ships and people is not a solution. Without the right information at the right time and at the right location, additional resources are ineffective. This recognition is reflected through their development of data gathering devices for such needs as weather, pollution detection, sightings and navigation data followed by processing systems which transform raw data into useful information. Storage and retrieval of massive amounts of information is in transition from dusty filing cabinets to highspeed computer systems such as the Maritime Safety Information System. This infrastructure of information based support systems is going in the right direction. But, the final link between the information and the user at sea, and for that matter on the ground or in the air, has yet to be made. It is time to add this final link. We know how—now. Today. We must have the wisdom and foresight to accelerate this transition in step with the need, especially as related to the halting and entering of harmful drugs into the United States.

ElectroCom Automation believes the Coast Guard needs a technology boost aimed primarily at the communications system, the backbone of this information link. Using the drug interdiction role as an example again, you have to have communications equipment—at least as good as the smugglers—to catch them. Even the recent use of scramblers only serve to alert the smugglers that they needed to get away when the Coast Guard switched to scramble mode during a mission. Bandaid measures, while seeming to solve an immediate problem only postpone the solution. The Coast Guard needs an all-digital voice and data communications system which

Links land, air and sea communications;

Provides secure communications for all message traffic regardless if routine or priority and for both voice and data;

Gives instant access at sea to Coast Guard data files;

Reduces radio channel congestion by using digital transmission of routine messages and navigation data;

Simplifies resource utilization reports and provides an accurate record of mission events as they occur.

The program proposed by ElectroCom Automation is a two-year Research and Development program to integrate off-the-shelf communications equipment into a computer controlled network. Then, deploy this equipment on all types of vessels, plus land vehicles and helicopters in the 7th and 17th districts for a thorough operational test. These two districts, Florida and Alaska, were chosen because of their key roles in drug interdiction, shore defense, and salmon watch, respectively.

The technical approach is to develop a combiner unit which accepts digitized voice, LORAN navigation data in digital form, text messages and information in digital form and digital telemetry data, say from weather sensors, and "combines" them into one digital signal. This composite digital signal is encrypted and then transmitted over an open radio channel. The receiving station, whether on board a helicopter, ship or van, or on shore, will decode the message back to its digital form and send it to another combiner unit for separation into voice, text information or data. And, depending on the address of each type of information, it will route the signal to the correct location whether a printer, video display unit or voice communications console. All of these signal processes will be transparent to the Coast Guard crew so that they will communicate just like they did before. The difference now is they . . .

will not be bothered with requests for position;

will notice the radio channels aren't quite as busy;

will not have to worry about being overheard by the wrong people; (The good guys can talk back and forth and the bad guys cannot hear or understand their conversation.)

will be able to quickly check the registration of a boat or ship under surveillance for drug smuggling;

will be able to get the latest weather update by a push of a button;

will be able to get information from the Maritime Safety Information System by direct access;

will notice no difference in how their voice radio works;

will be able to talk to the public just as before;

will be able to tell their home port of a status change such as arriving on station by pushing one button, saving precious air time;

will be able to selectively direct their communication to a single craft only, a group of vessels or all craft in a geographical area;

will be able to set up links with other local agencies to support a joint mission;

will be able to keep up with and document mission events as they happen and have the results printed for the record.

An artist's sketch of the proposed all-digital voice and data communications system is shown on the attachment.

As important as our proposed program is to the Coast Guard, are they ready for such technology? We believe the answer is, without reservation, new technology was proven in a Research and Development program conducted at the 5th district, Hampton Roads Station, completed in 1984, in which ECA participated. The LORAN navigational data and text message link between vessels and their port were established. Access at sea to Coast Guard files awaits software from the Coast Guard, delayed due to other priorities. But, this latter capability has been a demonstrated fact in police agencies since 1976 and is already in the third generation hardware.

Concerning digital voice, the Coast Guard believes they must have a secure communications system. This ultimately means digitized voice. Projects planned for fiscal year 1985 and beyond include digital voice and encryption technology with the ultimate goal of full deployment. Their interest and Memorandum of Understanding with the Jet Propulsion Laboratory for the Mobile Satellite Experiment (MAST-X) underlines their desire for an all-digital voice and data communications system. Unfortunately, MAST-X may never happen, and if it does, users would not have access before the next decade at best. In the telephone industry, digital voice is becoming a standard. New PBX switches installed by AT&T today can handle both analog and digital voice signals. Vocoders, devices that digitized voice and then compress it for transmission over a standard telephone wire, have been available since the early seventies.

The human side of this issue cannot be ignored. Certainly the technology exists now, today. But what about the people and their adaptability to the "new" technology? That was also a concern when ElectroCom Automation installed mobile computer gear on-board Coast Guard vessels for the Hampton Roads test. It proved to be a myth; there was no fear of the computer keyboard. In fact, they are beginning to use the equipment in ways never envisioned by the Coast Guard planners. As further witness, the COMDAC project which will provide computer processing power on-board the cutters has high interest with the Executive Officers and crew. So much so, they feel a sense of frustration because the computer hardware is installed and ready but the software to make it work is lagging.

The Coast Guard is indeed ready. Neither technology nor human factors stand in the way. They are planning for such a system and are doing what they can under budget constraints created by the tug of war between repairing antiquated equipment and acquiring new technology. ElectroCom Automation is uniquely qualified and equipped with "know how" and highly qualified personnel to make this R&D program a successful reality. Our background in the design of digital and voice radio systems is without peer. We have supplied the law enforcement community with computer aided systems integrated with their radio systems since 1974. The Coast Guard qualified personnel to make this R&D program a successful reality. Our background in the design of digital and voice radio systems is without peer. We have supplied the law enforcement community with computer aided systems integrated with their radio systems since 1974. The Coast Guard operations as ordered by the Congress parallel closely the public service activities, including law enforcement, especially drug interdiction, of our police and fire customers.

Our proposed program will require $8 million for fiscal year 1985 followed by another $15 million in fiscal year 1986 above and beyond their current budget plans. At the end of that time the results will be very good on a continuing day and night operation.

We respectfully request the committee review our proposal and provide the "Authorization" to bring the U.S. Coast Guard capabilities in line with the complexity of their missions.

"In summary—this new communication system will make a major contribution to the daily Coast Guard effort of "The Good Guys to locate and catch the Bad Guys."

North Pacific Fishing Vessel Owners' Association,
*February 29, 1984.*

Senator Bob Packwood,
*c/o Gretchen S. Hoffman, Merchant Marine Subcommittee, Committee on Commerce, Science and Transportation, U.S. Senate, SH-227, Senate Hart Building, Washington, D.C.*

Dear Senator Packwood: On behalf of Dennis Peterson, President of North Pacific Fishing Vessel Owners' Association I would like to thank you for the invitation you extended to our Association in regards to the United States Coast Guard authorization for F.Y. 85 and F.Y. 86 hearing March 7. I have passed this information on to Ms. Lucy Sloan, National Federation of Fishermen, who represents our interests in Washington D.C. and you can expect testimony from her.

As you are aware our interests are primarily that of the larger offshore fleet that fishes in the North Pacific. Any efforts from your Committee to increase Coast Guard Search and Rescue coverage westward on the Aleutian chain would be very beneficial to our fishing fleet. This would be helpful to the crab vessels that are seeking out new unexplored fishing grounds further away from existing facilities, as well as the rapidly expanding trawl fleet.

Thank you for your consideration and we appreciate your keeping our Association informed on these very important matters.

Sincerely,

Barry D. Collier,
*Executive Director, NPFVOA.*

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Telegram

March 6, 1984.

Re Coast Guard Authorization for F.Y. 85 and F.Y. 86
Hon. Bob Packwood,
*Merchant Marine Subcommittee, Committee on Commerce, Science, and Transportation, U.S. Senate, SH-227 Senate Hart Building, Washington, D.C.*

Dear Senator Packwood, for the record the North Pacific Fishing Vessel Owners Association would like to encourage the Merchant Marine Subcommittee to expand Coast Guard search and rescue facilities westward on the Aleutian Island chain. Fisheries currently taking place are in need of such facilities in the Dutch Harbor/Cold Bay, Alaska area. Thank you for your consideration.

Sincerely,

Barry D. Collier,
*Executive Director.*

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